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China Report

AGRICULTURE



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FORESTRY MINISTER QUESTIONED ON NEW POLICIES

Beijing BAN YUE TAN [SEMIMONTHLY TALKS] in Chinese No 5, 10 Mar 84 p 5

[Interview with Yang Zhong [2799 6988], forestry minister, by BAN YUE TAN staff reporter: "A Few Questions on the Relaxation of Forestry Policies"; date and place of interview not given]

[Text] Question: Why do we want to continue to liberalize forestry policies?

Answer: By continuing to liberalize policies, going a step further to arouse the initiative of the vast number of peasants for forestry management, we accelerate the afforestation of our motherland, develop basic guarantees in the mountain region economy and meet the urgent demands of hundreds of millions of peasants.

In the past few years the Party Central Committee and the State Council have issued many important policies to rehabilitate and develop forestry and have already brought tremendous forces into play. One of these forces is the establishment of a forestry production responsibility system that varies in scope, cuts across different administrative levels, unifies all sectors, is multifaceted and suits measures to local and forest conditions. This enables a better fit between the relations of production and the development production forces. As of the end of last year, some 65 percent of all counties and 80 percent of all commune teams had accomplished the task of filling their "three forestry quotas." Two hundred and fifty million mu of land were designated for the personal use of 50 million peasant households. According to statistics from 17 provinces (and autonomous regions), the mountain forest area contracted to peasant households has already reached more than 760 million mu. A second force brought into play consists of a revision of afforestation policies; a suggestion that individuals, collectives and the state work together; an emphasis on individual afforestation; a dependence upon the 800 million peasants; an initiation of social forestry; and a handling of sites and parks--an achievement of notable results. A third force consists of the historic appearance and uninterrupted growth of specialized and key households and of the new combined economic system. According to statistics from 7 provinces (and autonomous regions)--Shaanxi, Guizhou, Zhejiang, Heilongjiang, Yunnan, Gansu and Ningxia--there are already 390,000 such households. The area afforested by specialized households and individual peasants last year in 10 provinces (and autonomous regions), including Jilin, Hunan, Jiangxi, Guizhou and Nei Monggol, already amounts to more than 40 percent of the total afforested

area of these provinces. The pattern of the small-scale peasant economy has been broken, and step by step great strides are being made in the directions of specialization, socialization and commoditization.

However, looking at the overall situation, there are still some places where the liberalization of policies has been accomplished inadequately and "leftist" things have not yet been eliminated. This primarily refers to the designation of mountain lands for personal use. With regard to handling the contracting of uncultivated mountain lands to rich households and other such actions, policies that should have been liberalized still have not been and those that have been liberalized still have not been completely put into effect. Only if we continue to liberalize policies and open up our actions a little can we completely arouse the initiative of hundreds of millions of peasants and continue to advance this great cause of administering our territory and making life better for our descendents.

Question: Where is the emphasis placed in policy liberalization?

Answer: It is placed on the difficult points in the afforestation of our motherland, which lie in the transformation of the several billion mu of uncultivated mountain lands and beaches that are suitable for forests. The emphasis in liberalizing policies should be placed on the afforestation of uncultivated mountains and beaches. The afforestation of uncultivated mountain lands and beaches is a developmental undertaking in which the responsibilities are heavy, the investments are large and the results are slow to materialize. If we do not proceed from policy to resolve the problems of workers combined with those of achieving economic results, and if we do not give a free hand to the masses but rely on them to carry on, it would be very difficult to achieve results. Consequently, policies concerning the exploitation of uncultivated mountain lands and beaches should be further liberalized. They should be liberalized to the point that the initiative of the broad masses can really be aroused and they will eagerly invest funds and labor in uncultivated mountain lands and beaches to develop and protect forest and grassland vegetation.

Question: What is the main substance of policies on the exploitation of uncultivated mountain lands?

Answer: The exploitation of uncultivated mountain lands and beaches should take household contract management as its principal factor, and the individual, the collective and the state should work in unison. In line with the wishes and management capabilities of the masses, uncultivated mountain lands and beaches owned by collectives can be wholly or partially designated for the personal use of commune members. This particularly applies to localities where uncultivated mountain lands are relatively scarce and there must be a willingness to designate nearby and verdant mountain lands for the personal use of commune members. All of the mountain land that is designated for personal use, for which usage permits are issued by the county level people's government, is owned by the collectives. It will be permitted for one to carry on the cultivation of forest or grassland that one has cultivated and managed for a long time. It is permitted for products from personal mountain land to be exchanged

for money if they are being disposed of by the individual commune member alone. Currently, some localities are being closed-fisted in their designations of mountain land for personal use. This kind of situation should be changed.

After mountain lands for personal use are designated, the remainder of the uncultivated mountain lands and beaches must be unified under a program using diversification methods. Lands should be released for contracting to peasants as assigned mountain lands for long-term management. The contracting time period, quantities and distribution of profits should be decided by consultation between the two sides. So long as there are people that are both willing to contract and capable of managing the land, the contracted area may be unlimited, the contract time period may be 30 or 50 years and the right to contract may be inherited. When the contractor is incapable of managing the land, he may fix a price for the timber and return the land to the collective or "look for his own target" for transference of the contract. Except for those products that are withheld for the collective according to contract provisions and those that are used to fulfill the state's assigned procurement mission, the remaining products from assigned mountain lands or beaches are returned to the individual to handle, and the felling of timber may be carried out in accordance with state provisions.

Question: In the cities and towns, are unemployed personnel or workers and staff who are retired or who have quit for a rest able to contract uncultivated mountain lands?

Answer: In order to bring social forces into full play and hasten afforestation and construction, it is permitted in the cities and towns for unemployed personnel and those workers and staff who have retired or quit for a rest to contract uncultivated mountain lands or beaches in nearby rural areas and to grow trees or grass. The contracting policies concerned are put on an equal footing with peasant contracting.

Units of the armed forces and of the factories, mines and other enterprises, providing they have the proper conditions, may also reach agreement and have a certain quantity of uncultivated mountain or beach land designated by the state or the collective for growing trees or grass to serve the production and livelihood needs of that unit.

Question: How are collective-owned forest lands contracted?

Answer: Timber forests, economic forests, bamboo forests, shelter forests and so on that are owned by collectives should set up diversification-type production responsibility systems suited to the needs of the locality and the forest. They can be managed contractually by specialized brigades (teams) or a new cooperative forestry economy can be divided up and managed jointly, or they can be contracted out to households and managed contractually by families. Regardless of which form is adopted, the purpose is to improve management, protect and develop forests and bring economic and social benefits completely into play. However, indiscriminate cutting and denudation are absolutely not permitted.

Question: In what way can we further support the development of production in specialized and key forestry households?

Answer: The appearance of specialized and key households and joint management organizations in forestry is a new phenomenon in rural development. They have faith in the party's policies, they have foresight and sagacity and they have labor, funding and technical conditions and management ability. They have bravely contracted uncultivated mountain lands and beaches and set up household or cooperative forestry centers, tree nurseries, orchards, tea plantations or so on and have had a positive role in developing forestry production and promoting afforestation. They are the activists on the forestry front and are the major force in developmental production. We should treasure, protect and support their initiative and also adopt some particular ways of making things easy for them.

In areas where uncultivated mountain lands and beaches are abundant and the masses are encouraged to combine forces and jointly contract large areas, the banks can extend credit. Policy permits the hiring of some farm labor in areas where a large area of uncultivated mountain land has been contracted and a lot of labor is needed. In regions where soil erosion has taken place, experiences in minimizing erosion or contracting to harness the erosion should be shared. We must respect the management and initiative rights of the contractors and safeguard their rights and interests in accordance with the law.

Question: What new requirements are there on state and collective forestry centers?

Answer: State and collective forestry centers must establish and perfect a diversification-type production responsibility system, improve management and raise economic results. They should also adopt the diversification pattern and attract and lead nearby commune teams and masses to participate in protecting, planting and tending forests; felling timber; building roads; and performing other forestry construction and production activities. Some of them also can designate limits, carry out joint management and enable the masses in forested areas to benefit.

It is permissible for mountain regions and forest regions to violate administrative divisions and, through a compensatory trade, have the funding introduced by the region where the materials are lacking so that the two cooperate in afforestation. It is also permitted for the flow and coordination of rural labor power, funding and technology to support this pooling of capital for business by the plains regions and mountain regions in order to promote forestry and reap the benefits jointly.

Question: When carrying out the "one account" plan in tree felling, is it permissible to leave a portion of the timber for the forest region commune team?

Answer: In order to protect China's natural forest resources, we must strictly carry out the "one account" plan in tree felling and put an end to overcutting. In order to invigorate the mountain region economy, in collective forest regions we should leave behind a suitable quantity of timber for the commune

teams. It is permitted for them to use this portion of the timber as well as any felled timber, poor timber or timber that is small in diameter from among the trees being tended and any partially finished products made from these; to trade with outside areas for grain or other things; or to carry on commission sales, thus using the forest to support the forest. We must enthusiastically aid peasants to open up trade channels and find outlets for felled timber, timber of small diameter and poor timber from among the trees being tended. We must not control things too rigidly.

Right now China's afforestation situation is very good. The program is just unfolding and the farther we go the easier it will become. However, the tasks that face us are extremely difficult. Cadres at every level, particularly leading cadres, should adapt to the new form and use the party's principles and policies to mobilize and organize the masses. Everyone should get to work and plant trees and grass every year, sticking to it for the long terms with the spirit of the Foolish Old Man who removed the mountains. Make each year better and more solid than the previous one and make a new contribution to the afforestation of our motherland!

12510

CSO: 4007/130

FUTURE OF CHINA'S FOOD INDUSTRY PROJECTED

Beijing RENMIN RIBAO in Chinese 8 Apr 84 p 2

[Article by Du Ziduan [2629 1311 4551], chairman of the China Food Industry Association: "Create a New Situation in the Growth of the Food Industry"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, China's food industry has made new progress and taken on a new face. However, it still is a weak link in the national economy. Central leading comrades recently pointed out the need to break through the situation of outdated equipment, conservative ideas and backward techniques in the food industry. They also urged departments concerned to organize some scientific and technological personnel, innovative experts and master cooks to air their views and widely introduce and discuss them in newspapers and publications in order to arouse the enthusiasm of all circles and satisfy the diverse needs for food of the people in urban and rural areas.

Food is a material basis for human existence and social development. Whether food is good or not and whether it is nutritious or not not only affects the physical condition and healthy life of this generation but also concerns the physical growth and intellectual development of future generations. Therefore, it is of great significance to national development and prosperity. With the level of productive forces rising and the people's income increasing, the people are no longer content with the primary food products needed for subsistence. Instead, they demand that the processing industry provide them with a variety of sanitary, nutritious, convenient and practical food products that have good quality and rich flavor.

The food industry covers many trades and involves a wide range of issues. It is closely related to all sectors of the national economy. Developing the food industry can promote the packing, machinery and fodder departments. It can also bring along the prosperity of catering and service trades and tourism, increase social employment, expand exports and trade, increase financial accumulation and accelerate the proportionate development of the national economy.

To develop the food industry, it is necessary to bring into play China's advantages--a variety of natural resources, rich resources of local products, exquisite techniques of traditional food products and a wide market. At the same time, it is necessary to strengthen scientific research to systematize

and upgrade China's traditional foodstuffs. At present, in view of market needs, special efforts should be made to develop the production of assorted convenient foods, including staple and nonstaple food and soups to serve the people's need for three meals a day. Efforts should be made to satisfy the people's need for fast foods as well as the need of households for finished and semifinished products and frozen foods to facilitate consumption. The development of convenient foods should be focused on meals with balanced nutrition and between-class snacks and lunches for students at elementary and middle schools. Moreover, it is necessary to develop healthy foods in accordance with the needs of consumers with different health levels, to develop foods for infants, children and the elderly in accordance with the needs of people in different age groups and to develop special foods in accordance with the different customs of national minorities and the needs of army personnel, tourists and athletes. In sum, it is necessary to integrate China's traditional techniques with modern techniques; integrate the processing of finished and semifinished products in raw material production areas with the reprocessing at factories, fast food centers, canteens, restaurants and hotels in cities; and integrate assembly line production with the production of factories attached to stores. In accordance with the fact that the Chinese people are accustomed to eating hot and fresh food, it is necessary to satisfy the diversified needs of the people for food in urban and rural areas and make continuous development in food composition and processing and a continuous improvement in food quality.

The food industry is a processing industry with farm and sideline products as major raw materials. It is a continuation of agricultural production. The commercialization of agricultural production demands that the food industry fully and rationally utilize agricultural resources, increase the economic value of farm products and dispose of rural labor forces by developing the food industry so as to promote specialized production and diversified economies in rural areas and accelerate the benign circle and overall development of agricultural production. At present, most rural areas have difficulty selling farm products, and farm products procured by the state are stockpiled. Peasants are concerned because their labor results cannot be changed into social wealth, resulting in a gross amount of waste. The resources of farm products urgently need to be developed and utilized.

To develop the food industry, it is now necessary to solve problems in the following areas:

1. Readjust the distribution of the food industry. On the principle of economy and rationality, efforts should be made to develop the processing industry in areas where the raw materials of farm products are produced. Having villages and small towns process those products which are suitable to being processed in areas where they are produced can reduce the wear and tear on raw materials, reduce transport volume, guarantee quality and lower costs. At the same time, efforts should also be made to integrate the development of the food-processing industry with the development of crop planting and aquaculture and to develop natural resources in a comprehensive manner in order to improve economic results. The processing industry of finished and semifinished products should be distributed in a rational manner to guarantee a direct supply. In

urban and rural areas, efforts should be made to develop factories attached to stores in accordance with the distribution of residents to facilitate consumption.

2. Readjust product mix. The situation of a limited variety of products and designs and a large number of rough-hewn semifinished and primary products should be reversed. In light of the trend that the masses make new demands as their living standards continue to improve, efforts should be made to increase the production of finished products, develop famous and special food products that have high quality and low prices, promote traditional food products, develop new food products and create a great variety of foods to satisfy the people's needs in various fields.

3. Further consolidate enterprises and raise their management level. It is necessary to perfect responsibility systems and expand the enterprises' decision-making power so as to give enterprises both pressure and motive power and make them strive to improve economic results.

4. Rely on technological progress and make a success of the enterprises' technical transformation. It is necessary to adopt new equipment and techniques to raise the utilization rate of raw materials and enact comprehensive utilization, in-depth processing and multiple-level finishing work. It is also necessary to tap the potential of energy resources, reduce their consumption and lower the cost of production.

5. Develop various forms of association and rationally develop and fully utilize agricultural resources. Coastal, inland, urban and rural areas all have their own advantages. The coastal and urban areas should use their advantages in technology, management, information, channels and packaging to run plants jointly with the inland and rural areas and use various forms such as technology transfer, compensation trade and joint management to open up markets for farm products and sources of raw materials needed by urban food-processing factories. This can increase economic results not only for enterprises but also for the whole society.

In addition, the state should ease policies on enterprises and offer them support. On the prerequisite of guaranteeing state revenue, the state should properly raise the depreciation rate of the enterprises' fixed assets and give enterprises preferential treatment regarding tax rates. As long as the prices of those food products whose supply is planned by the state remain stable, it is necessary to implement the policy of allowing higher prices for food products with higher quality and let the prices of minor food products fluctuate according to different seasons. Those enterprises whose losses are caused by policies or those which make very little profit should be given special treatment with regard to the interest rate and repayment period of loans.

The CPC Central Committee and the State Council have attached great importance to the food industry. All localities and departments have also adopted corresponding measures for developing the food industry, strengthened leadership and made fresh progress in China's food industry. With science and technology making new progress daily, with the production of agricultural commodities

developing and with the people's income in rural and urban areas increasing continuously, the situation in the food industry will get better and better. If the broad masses of staff and workers in China's food industry can bring into better play the spirit of hard work and self-reliance and if they can carry out brave reform and bold innovation, they will certainly be able to create a new situation in the development of the food industry and make contributions to the building of socialist material and spiritual civilizations.

12302

CSO: 4007/138

AGRICULTURAL COMMODITY PRODUCTIVITY UP

Beijing BAN YUE TAN [SEMIMONTHLY TALKS] in Chinese No 7. 10 Apr 84 pp 3-6

[Commentary: "China's Rural Commodity Production Grows Swiftly"]

[Text] News from rural regions throughout the nation is exciting: the shift in China's villages away from self-sufficient and semi-self-sufficient production toward broad-scale commodity production is growing in speed. The profound significance of this transformation is no less than that of the land reforms of days past.

Those land reforms overthrew the landlord class and made the farmers their own political and economic masters. Their significance was extremely great. But the productive force unleashed by those reforms could not get out from under traditional modes of farming or supply the state with large amounts of farm by-products to serve as commodities. The transformation now taking place on the farm will solve problems left unsolved in the past and bring the farmer much further along the road to modernized socialist production.

1. Rural Commodity Production Developments Are Broad in Scale, Rapid in Rate.

Rural commodity production develops on the foundation of the "contract linked to production" household responsibility system. When large assignments were first inaugurated, they were viewed in many quarters as a "temporary retreat" for controlling poverty. The situation became clear very rapidly. "Large assignments" were no retreat. Rather, they were the starting point for farmers on the road to affluence and for bringing about commodity production on a large scale. The "small and complete" contract responsibility household with its characteristic self-sufficiency quickly gave way to the "small and specialized" household. The beginnings of specialized households brought the immediate appearance of the figure of the commodity producer. A year or two ago the number of specialized households engaged in sowing, planting and breeding was no more than a few percentage points of the total number of farm households. Now that percentage is somewhere between 10 and 30 percent. With the drive toward specialized households came the wholesale emergence of diversified modes of joint economic and household ventures such as small farms, forest plots, fish ponds and all kinds of specialized villages, cities and towns like bamboos after a spring rain. Areas of unexploited mountains and lands, rivers, shorelines and seacoasts which lay dormant for many years came to be widely used and opened up.

Development continued on many farm products in the old commodity production centers as new ones arose, so that the scale, speed and variety of commodity supplies were all unprecedented. Jiangsu Province, known as a land of rice and fish, had most of its commodity production base along the southern fringe in the past, with yearly outputs of grain running between 5 and 6 billion jin. In recent years new commodity grain bases have cropped up on the northern Jiangsu Xuhuai plain which have overtaken the south in one swoop. In the Huaiyin region alone, last year's gross grain output broke the critical 10-billion-jin mark. Over the last few years China's major cotton-producing regions were in the two provinces of Jiangsu and Hubei. Yet last year 16 million mu of new cotton fields in northwest Shandong produced over 20 million dan of ginned cotton, more than one-fourth of the nation's total output. In high mountainous areas such as Jinggang Shan, Dabieshan, Qinling's Ba Shan and the Yunnan-Cuizhou Plateau, many production bases have been set up for such mountain products as tea leaves, oranges, raw lacquer, tung oil and valuable medicinal materials. On the northwest plateau in recent years there have been major developments in the construction of livestock bases for such commodities as leather, wool, meat and dairy products. The province of Anhui, which suffered some serious natural disasters last year, has been able to store 13 billion jin of commodity grain up to now--3 billion more than after 1982's bumper harvest. There were 50 counties which sold more than 100 million jin of commodity grain. Shanxi's specialized commodity grain households number only 6 percent of farm households but hold contracts for cultivated land amounting to 31 percent of this land in the province. The commodity grain supplied last year by these households amounted to 37 percent of state purchases throughout the province.

Another special feature of the swift development of rural commodity production has been that the "bird-in-flight model" of economic structure with grain as the central body and the rural township enterprise and diversified forms of business as the two wings has fundamentally taken shape in regions along the seacoast and around the cities, where the economic base is strong. Rural township industry last year in Jiangsu had a gross output value of 15.8 billion yuan--a 21-fold increase over 1970. Zhejiang's Shaoxing County with its average cultivated land of less than 0.7 mu per person put its focus on the "two wings" of managing rural township industry and developing diversified modes of business. As of last year, gross industrial output value for rural townships in the county reached 870 million yuan, with sales of over 100 different kinds of commodities other than grain such as tea, fish, alcoholic beverages, clothing and building materials. Specialized cottage industries have appeared in villages in Liaoning, Shandong, Fujian and Hebei. Electronic toys produced at a rural toy factory in Jiangsu's Wujin County are being sold throughout the nation and abroad.

In more backward economic regions, the first steps in commodity production have already been made. There have also appeared a number of conspicuous models. In the past, the old Soviet region in southern Jiangxi had always had roadblocks at the province's borders to prevent products from being sent out from the hills. Speaking to a reporter, a local party secretary said at the time that they were "handling a troublesome situation." Now those prohibitions have turned to encouragement, and unique mountain artifacts are

now shipped for sale in the special region markets of Guangdong and Fujian. Even Dazhai Brigade in Shanxi, which in those years had opposed commodity production as "taking the capitalist road," has taken to it.

2. Commodity Production Has Brought Profound Changes to the Villages.

Like a "bird of good luck," wherever commodity production has flown it has brought material abundance, spiritual civilization and flourishing development.

Nanhai County in Guangdong, which has less than 1 mu of cultivated land per person, has been in the forefront of the nation in the past few years in developing commodity production. Last year, per-capita income there reached 710 yuan. Villages in the vicinity of Shenyang in Liaoning have, through the development of commodity production, brought about "three doublings"--in agricultural output value, grain output and farm income--in just 5 years. Last year the amount of commodity grain sold by the counties around Shenyang exceeded gross grain output for the year 1972 and not only provided the vicinity's 2 million farmers with more than adequate amounts of cereal but satisfied the grain and vegetable needs of the more than 3 million people of the city while maintaining basic self-sufficiency in meat, eggs and poultry. In this instance, every 6 farmers were able to care for the grain, vegetable, meat and egg demands of 10 city dwellers.

In places where commodity production has developed quite rapidly, farm income increases have been manifold. Farmers in certain coastal regions with developed commodity production have been showing incomes across the board which are higher than those of urban cadres and workers. When You Qi [1429 3217], reporter for XINHUA's office in Jiangsu, first arrived in Nanjing from his home village in Wuxi County 3 years ago, relatives from home often came looking for him to borrow money. This New Year he took the whole family back to his village for the holidays. His nephew held a lavish dinner for him on New Year's Eve and brought out over 1,800 yuan in cash he had received at the village-run factory that day to show him. His nephew said, "If you need it, I can loan you a thousand."

As commodity production develops, the study of science, applications courses and application of S&T results become urgent needs and conscious activities for the broad mass of farmers. Zhejiang's more than 8 million farm households now have S&T publication subscriptions of various types numbering in excess of 10 million. Right now rural S&T personnel are having a heyday. S&T results are attracting the most attention, and many places are already applying electronic technology to production.

3. An Embryonic Form of Modernization Has Already Appeared in the Villages.

Over the last few years, some rural cadres have said, "We suffered for decades, only to go back to the situation before liberation overnight." Some in the cities have said, "With food, meat and eggs so plentiful, agricultural modernization is still further off." Right now, the fact is that not only has there been no retreat from socialism in the countryside, but it is even more

flourishing. Rural modernization is not a long way off--it is nearly. Certain advanced areas in economically developed provinces such as Jiangsu, Zhejiang and Guangdong have an embryonic form of socialist modernization with Chinese characteristics. These areas have the following common features:

-- The rural economy has been transformed from single-product farming to an economy with integrated farming, industry and commerce, gradually forming a "bird in flight" model economic structure with grain as the main body and rural township industry and diversified forms of business as the wings. Grain output continues to increase, but the ratio of agricultural output value to the economic structure as a whole decreases year by year until it reverts to a secondary status, with industry and diversified forms of business rising proportionately to take the primary positions. Industrial and agricultural output value in the Jiangsu counties of Wuxi, Changshu, and Jiangyin are all in excess of 2 billion yuan, with the farm economy merely holding a proportion between 10 and 20 percent. In some rural areas of Guangdong and Zhejiang which have gross agricultural output values in excess of 100 million yuan, industrial output value of rural townships accounts for around 90 percent of it. What is happening in response to transformations in the economic structure is that farming in these areas is already basically specialized, socialized and commoditized. All kinds of specialized households, cottage industries and small farms are joining up with various kinds of specialized companies to form integrated agricultural-industrial-commercial outfits with coordinated processes of production, supply and marketing and with commodity rates for products all somewhere between 80 and 90 percent.

-- While rural economic structures are undergoing transformation, the structure of rural labor and the land use situation changes in response. In Zhejiang, 7.1 million farmers are "leaving the soil but not leaving the village" to do other trades. Jiangsu has 4 million farmers "entering the factories but not the cities." The number of farmers actually engaged in sowing and farming will decrease yearly. The land contracted to commune members who "leave the soil" will be turned over to specialized farming households and be reaccumulated--not into production brigades but into the hands of those adept at farming, so that they may develop their talents and engage in modernized farming.

-- Because rural industrial development is rapid, some villages will change from places with surplus labor to places with shortages and may have to go to the cities to seek workers. This will give jobs to young people in the cities seeking employment. Some provinces are now conducting talent surveys and employment services in response to the needs of rural industrial development. This is drawing many technical workers and technical cadres now retired from urban factories to rural township enterprises.

-- Rural market towns which serve the role bridgeheads for commodity production are reviving and developing. Many market towns have formed collective organs with rural industry and commerce as the backbone, supplemented by farm cottage industries and commerce, and a large number of farmers have entered these towns to engage in industrial, commercial and cultural trades. In these market towns the markets are lively, and there are impressive department

stores, hospitals, theaters, cultural stations, libraries and sports facilities.

Commodity production is a great school for cultivating rural cadres and a new generation of farmers. Bold, smart talents who understand technology are adept at management, and able businessmen are emerging all the time. In the face of the rapidly rising tide of rural commodity production, all levels of rural working cadres and comrades in all walks of life should keep up with the new rural circumstances and promote an even more rapid and a healthier development of rural commodity production.

12303

CSO: 4007/135

COMPREHENSIVE STANDARDIZATION IN AGRICULTURE URGED

Beijing ZHONGGUO BIAOZHUNHUA [CHINA STANDARDIZATION] in Chinese No 3, 1984
pp 19,29

[Article by Hong Yongkang [3163 3057 1661], Liu Song [0491 2646 5399] and Chen Haoyi [7115 1170 5039]: "Develop Comprehensive Standardization in Agriculture"]

[Text] Comprehensive agricultural standardization is an important technique for agricultural modernization. It popularizes the results of scientific research and the advanced experience of the masses and is an important way to bring about scientific sowing. It plays a major role in the reasonable use of natural resources, conserving the means of production, restoring the ecological balance, lowering production costs and improving the quantity and quality of farm products.

Guided by modern systems theory, agricultural standardization arranges the work of developing systematic, comprehensive and integrated standardization around a set goal. The principle of modern, directed, systematic, comprehensive and integrated standardization is to graft such scientific principles as systems theory, goal-directed management, comprehensive quality control and integrated standardization onto a foundation consisting of such modern standardization principles as unification, simplification, coordination and selection of excellence, thereby forming a complete scientific management method. As a society develops and science and technology advance, divisions of labor in society become more refined and the degree of specialization becomes higher and higher. Yet the whole of social, productive and economic activity is an organic one in which various elements are in mutual reliance and upon which these elements place mutual constraints. This organic whole requires all specialities, all sectors and all members of society at large to join in their activities around a set goal and set function and to go forward in concert with organization, leadership and planning. This is an internal, objective law of material development. This method is used abroad with manifest economic results. By applying this principle and this method to agricultural standardization, they are able to promote scientific management in agriculture and to improve farm production standards. Henan Province employed this scientific management method toward the goals of scientific sowing, high wheat yields, stable production, selection of improved strains and lowered costs. They formulated and implemented "Different Types of Ecological Regions for Wheat in Henan and Technical Rules for Production in Each." This resulted in a

series of bumper wheat harvests. What follows is an introduction to the methods and results from the Tianshui region of Gansu.

Starting with an analysis of agricultural production in the Tianshui region, it became apparent that the only way effectively to defend against natural disasters and achieve the goals of high and stable yields, high quality and low costs would be to draft a set of standards for improved strains and improved techniques based upon the objective, internal laws of crop growth and development and to adopt comprehensive measures. They also found that the key to improving the low-yield characteristics of mountainous regions is to master a set of arid tilling measures and that the popularization of scientific results and advanced experience require reliance upon comprehensive standardization and the overcoming of the tendency in popularizing these measures to master them individually and to overlook the fact that they are meant to be used in a comprehensive way. They found out that these standardization principles must be applied toward the goals of high and stable yields, high quality and low costs in all areas and all links of agricultural production, arriving eventually at an integrated set of standards built from scientific results and advanced experiences--from seed to final produce, from sowing to harvest and from technology to business management--which everyone would follow and which could serve as a model for popularization. Working from the basis of a unified perspective and improved understanding, they drafted and implemented "Technical Rules for Cultivation" for the three major crops of wheat, corn and potatoes. Their basic method was as follows:

1. Establishment of priorities. They first drafted the "Rules" for these three crops on 75 percent of the area of the province and addressed and solved subsistence problems for the masses.
2. Investigative and drafting sections for the "Rules" were organized by regional science committees and the provincial branch of the Ministry of Agriculture. They became involved in discussions and field trips relating to all the various types of ecological areas, summarized the experiences of those areas with model bumper yields and whatever production problems were found to exist and then collected together materials from all sites by analyzing soil, fertilizer, water, sowing and plant cover, cultivation, pestilences, diseases, natural catastrophes, weather and terrain to serve as data for the drafting of the "Rules."
3. Successful drafting of a comprehensive series of standards under regional planning for improved strains and improved techniques (from sowing to harvest). Adopting principles of suiting measures to local conditions and providing particularized leadership, and basing themselves on the unique characteristics of climatic conditions, natural environment, species distribution and tilling and cultivating systems, they divided wheat into seven different cultivation regions, corn into four and potatoes into four, and set out separate rules for each. These were published and distributed on a trial basis. They regionalized, integrated, systematized and standardized techniques for production links for these three major crops in coordinated series, including crop rotation, soil preparation, improved strain selection, water content and

moisture protection, fertilizer application, rational close planting, sprout period management, pest and disease protection, harvesting and threshing.

4. Efforts to continue both to popularize exemplary models and to supplement and perfect. Beginning with the fall sowing in 1980, testing and verification were arranged for the "Rules" in all areas of the province, and further revisions in the "Rules" were made, based upon experimental results.

5. Full grasp of implementing and executing the rules. The regions laid particular emphasis on organizing their strengths to arrange for drafting, revision and implementation of the "Rules," with summer and fall being the two lines when surveys and assessments were done. County farm technique popularization departments put their best efforts toward implementing the "Rules" and carried out publication, demonstrations, popularization and the training of science and technology households based upon the requirements set forth in the "Rules."

The implementation of the "Rules" for these three major crops was greeted with manifest economic results. In 1981 demonstration areas were less than 1,000 mu. In 1982 that area had been expanded to 23,000 mu, while the popularization area reached 290,000 mu. Over 9,400 model agricultural science households were developed, with 47 locations throughout the province holding collectively managed comprehensive demonstrations. In 1983, the popularization areas reached 350,000 mu. Practice has demonstrated that only if all the various technical measures required by the "Rules" are put into effect can the results of low investment, high yields and increased incomes be achieved. Per-mu increases were: wheat, 14-66 percent; corn, 14-55 percent; and potatoes 67-76 percent. Costs per 100 jin were lower as follows: wheat, 4.38 yuan, and corn, 3 yuan.

The experiences of Henan and Tianshui prove that the inauguration of goal-directed, systematic, comprehensive and integrated standardization in sowing and planting is both accurate and feasible as a theory. They also demonstrate that only if the three elements of research, formulation and revision of standards and the popularization of farm technology are all coordinated can modernization of the entire realm of agricultural technology and management be brought about.

12303

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FOOD INDUSTRY CONFERENCE CALLS FOR POLICY GUIDANCE

Beijing JINGJI RIBAO in Chinese 31 Mar 84 p 2

[Article: "Food Industry Development Relies First on Policy and Second on Science and Technology: Summary of a Joint Forum Held by the Editorial Board of This Newspaper and the Tianjin Municipal Market Management Committees"]

[Text] Comrades in the central leadership indicated on 21 March that China's food industry is prospering, but that facilities, techniques, and workmanship in this area are backward and thinking is conservative. As a result profits are small or losses exist. This situation must be changed. The way to do so is first have Tianjin take hold of its achievements and second organize technical personnel, specialists with innovative skills, and craftsmen to introduce and discuss their opinions in the newspaper. In order to implement and carry through on the directive of our comrades in the central leadership, this newspaper's editorial section and members of the Tianjin Municipal Market Management Committee held a forum on 28 March in Tianjin which included participation by leading cadres from concerned departments, Science and Technology [S&T] personnel, and craftsmen. All spoke excitedly in their comments about the directives from the comrades in the central leadership, and how it had given us much encouragement, clarified our direction, and strengthened our confidence. We should certainly step up our pace in the spirit of reform, come up with accomplishments as quickly as possible and not betray the earnest aspirations of our comrades in the central leadership.

Analyze The New Situation; Welcome the New Challenge.

Wang Enhua [3076 1869 5478], chairman of the Tianjin Municipal Market Management Committee, and Gan Guocai [3927 0948 2624], lecturer at the Chinese Academy of Civil Aviation explained that there exists a certain base for a commercially managed food industry in Tianjin Municipality. At present there are 719 commercially managed food processing units of various kinds throughout the municipality employing over 35,000 staff and workers. Last year's total output value approached 1 billion yuan, which was 53 percent of the gross national food industry output value. In terms of retail value, it amounted to one-fourth of gross retail output for the whole of society within the municipality. There was a full complement of varieties: flour, vegetable oil, feed, meat packing, cooked meat products, egg products, condiments, pickles, bean products, pastries, snacks, tea, cold drinks and snacks, fruits, and

grain oil substitutes--16 different lines in all--and 1500 different products. All of these products are closely bound up with the people's daily lives; and market reflections of quality and the appropriateness of prices are extremely sensitive. As the people's standard of living goes up, the food commodity market likewise grows in diversity, convenience, nutrition, and quality. For example, sales volume of Tianjin's tasty, nutritional, and noted superior quality pastries accounted for 22.3 percent of total pastry sales in 1980 but 37.3 percent of sales last year. Many noted superior quality goods cannot meet demand. At the same time sales volumes for lower quality mass item pastries are considerably lower. Moreover, mass demands for nutritious foods for children and the elderly and for convenience foods are becoming more and more vociferous.

At the present time, problems in Tianjin's commercially managed food industries are the following. From a market standpoint, development of new food products which satisfy different mass demands has been slow. From a raw materials standpoint, on the one hand farm product resources have not been fully utilized, and on the other, since the price relationship for farm products is "inverted" and the state works on a policy of subsidies, entrepreneurs have no profits to look for. Some suffer losses, and development of production is curtailed. From a standpoint inside the enterprise, equipment is unsophisticated and outdated. Workmanship is shoddy and management inefficient. Economic results are low. From an economic policy standpoint, such current concrete policies as price, taxes, reserved profits, loans, and distribution all await reforms. If they are not reformed, enterprise will be lifeless. From a capital development standpoint, commercially run food industries have not been attended to for a long time. They are underfunded and sorely need funds for technological transformation. Yet national and local financial resources are limited, etc.

How are we to break out of this situation? Everyone agreed that policies come first and S&T comes second. China's agriculture has already undergone a great change. Relying on policies and S&T, China's commercially run food industry can create for itself a new situation as well, take a new course, and satisfy the ever-growing demands of the people's daily life.

Break Out of a "Workshop" Mentality, Reform Management Practices.

Many comrades feel that reform of current illogical management practices is the most important task facing development of a commercially run food industry. But prerequisite to such reform we must liberate ourselves from the constraints of a conservative "small workshop" mentality and set ourselves on gradually building up a modernized food industry with special Chinese features. The participants offered many suggestions for reform which relate to the actual situation in Tianjin.

--Break Out of "Departmental Ownership". Do Overall Planning. Set up Scientific Management Systems and Structures for the Food Industry.

[Li Lanfang (2621 5695 5364), a top engineer with the Tianjin Municipal Industrial Food Company, said that the food industry is never "a stove with

a pot on it" or even less "a big piece of meat with a pinch of salt". Plans must be done comprehensively, coordinated, and upgraded in concert. For this reason, if the food industry is to be developed, departments cannot go their own way, nor can there be "a bunch of small plots". To act in this way will lead to tremendous waste and, moreover, there will be no way to implement modernized production. Industrial, agricultural, and commercial sectors must all break out of parochial limitations, carry out necessary centralization, plan comprehensively, and make overall arrangements. At the production level, industrial production of raw processed foods should be most appropriately in large modernized factories where costs are low and efficiency good. At the food processing stage of the industry itself, the mid-sized enterprise can be the mainstay, with larger and smaller sized enterprises linked to it. In sum, relying on the principles of what benefits production, what facilitated supplies, and what raises results, whatever should be large in scale will be large and whatever should be small will be so. Comrades from the Tianjin Municipal Ceroil Research Institute such as top engineer Jia Deming [6328 1795 2494] raised the example of integrated use of soybeans and explained that developments in the food industry require establishment of a scientific system of production structures. Soybeans have always been held up as "vegetable-based meat". Overseas firms have adopted a low temperature chemical solvent processing method whereby both the oil and the low temperature defatted beans can be extracted simultaneously. After the bean oil is refined it can be used to produce any number of edible oils. The low temperature defatted beans have a protein content approaching 50 percent and can be processed into protein flour, soymilk or milk crystals, soya-bean milk, soybean-based soy sauce, and bean curd, and other such health food and nutritional products as protein complexes and concentrates. Because Tianjin still has no such scientific system of production structures, oilfat factories extract nothing but oil and turn the "dregs" into beancakes. When bean processing workshops fail to first remove the fat before manufacturing their products, large amounts of oilfat are a total loss. Thus obviously, setting up scientific systems of product structures in the food industry will not only lead to advances in the degree of product processing, it will also greatly improve economic results for the industry as well.

--Development of Food Machinery, Raw Food Product; and Food Packaging Industries Should Be Synchronized.

Tianjin's machine industry base is quite solid, but there is still no enterprise strictly devoted to building machinery for the food industry. Engineer Sun Rui [1327 3843], assistant bureau chief of the Tianjin Municipal Foodstuffs Bureau, stated that the equipment in the city's largest flour factories was imported from abroad around 1920. In the 60 years since then this equipment has been refurbished on a number of occasions, but the basic technology remains unchanged. With such outmoded equipment, the only two products are standard flour and enriched flour; and since capabilities for enriched flour production are small, the amount that can be supplied is limited. By contrast, in many developed countries with modern equipment, some dozens of different types of flour can be produced, providing the right ingredient for many kinds of food products. The rest of Tianjin's food

processing and packaging equipment is extremely backward as well, with a considerable portion still operated by manual labor. Everyone agreed that in order to remedy this backward situation it will be necessary to import some pieces of advanced food processing equipment from abroad. At the same time we must fix priorities for development of China's food processing machinery so we can shift gradually from production based on "the workshop" in the food industry to production based on factories, and move gradually from manual and semi-manual labor to modern mechanized production.

--For Financing Policies We Should "Use An Industry's Finances To Develop That Industry" or "Rest To Build Up Strength".

Jia Zhenyu [6328 2182 6877], manager of the Tianjin Municipal Confectionary and Pastry Company, said that the company had 2,200 staff and workers in its 8 factories but only 155 machines. Through hard work on the part of the staff and workers, last year's output went up 9.6 percent, profits were up 15 percent, and gross profits reached 3.55 million yuan. But after outlays for state taxes, etc., development funds for internal use only amounted to 900,000 yuan--an average of 110,000 for each plant. If the funds were spread out, they would be ineffective. If they were concentrated on one or two big projects, the other plants would have no backing for their own measures. Fixed funds for commercially run food industries have always been scanty, and depreciation expenses were never well recovered. Allocations from above were never earmarked. As a result these industries have had widespread financial difficulties. In light of this situation, the comrades participating suggested that within 3 to 5 years the state decide on whether to implement a policy of "using an industry's finances to develop that industry" and sink a portion of profits which now go to the state back into new and improved equipment. Otherwise it might stipulate a figure to be paid to the state for support which would not change for 3 to 5 years, with the enterprise permitted to utilize any excess, so as to build up its strength and foster development.

Everyone suggested that concerned leadership departments in both the central and local government determine policies individually on management improvement questions such as those mentioned above after investigation and research.

Carry Forward Traditional Features; Adopt Advanced Technology.

How are we to use technological advances to develop commercially run food industries? Comrades such as Liu Yanqi [0491 1750 6386], director of the Tianjin Municipal Second Commercial Bureau's S&T Office, feel that we should proceed from consumer needs and the real situation in the industry, retool technology, find potential internal strengths, and reform workmanship in order to bring traditional features into line with food production industrialization. They stated that traditionally featured commodities were all made through manual operation, that labor efficiency was low, volume small, and could never fulfill mass demand. If we are to solve this dilemma we should move toward development of industrialized production. The Tianjin Food Research Institute has recently formulated a new technique for rapid freezing of dumplings for the Goubuli Baozi (Dumpling) Restaurant. Since foods are fresh-frozen, the original flavor is preserved unchanged. If standardization and mechanization

of [Goubuli dumpling] production is put into effect, it can be centralized, with sales dispersed throughout the city, so that everywhere people will be able to savor the delicious taste of Goubuli dumplings. Techniques like this one can be adopted for a number of traditional, tasty, and noted food products. Jia Jinyu stated that last year we spent 500,000 yuan for two pastry production lines. Personnel were reduced from 69 to 20, while output per shift [section?] went from 4,000 jin to 5,000. Quantity, quality, and results were all greatly improved. He said that plant facilities in their eight pastry factories were all excellent and no new ones need to be built. Advancing technology in existing facilities is completely feasible. This year we are planning to import a [complete] production line.

Tianjin Joint Meat Processing Factory engineer Zhen Shouxun [3914 1343 6064] and Fu Qingxiang [0265 1987 4382], master craftsman and head of a cooked meat products shop, discussed how in the past production of Tianjin ham used only the leanest portion of the rump, old fashioned techniques, and a long time period. Efficiency was low--product output rate was only 64 percent. And although the final product was a high-quality, it was too high-priced and sales were still not very good. Last year the factory introduced advanced technology and trade recipes. Using identical materials but injecting an appropriate amount of brine during production, the time frame was accelerated 10-fold, the production end-product rate topped 106 percent. Product quality went up and costs and selling price went down significantly. It became a fast-selling item in the marketplace. As the craftsmen said blissfully, "Using advanced technology is best. We can never go back to the old way!"

Finally, everyone agreed that in order to rely on S&T advances we must vigorously nurture S&T talents. Tianjin now has only about 200 engineering and technical personnel in its commercially run food industries, which is 0.7 percent of total employment--about the same number as in one large or mid-sized research institute. There are only 5 college students and not a single engineer among the thousands in the confectionary and pastry company. Many master craftsmen are extraordinarily skilled but lack knowledge of S&T and so have difficulty responding to the needs of new exigencies. Li Ying [2621 5391], head of the research office of the processed food department of the Tianjin Academy of Light Industry said that results depend on products; products depend on S&T; S&T depends on talent; and talent depends upon nurture. We must adopt various methods to accelerate the work of nurturing S&T personnel in the food industry and training staff and workers in S&T. In this regard, all were in agreement. Many comrades advocate establishment of specialized after-hours high schools and colleges for Tianjin's food industries. Every enterprise should set up all forms of training classes in technology and entrepreneurial management. This will improve the technical expertise of staff and workers throughout the industry and upgrade management levels for all levels of leading cadres. Everyone called for institutions of higher education to pay attention to and train more specialized talents for the food industry.

This forum was conducted very enthusiastically. It was after noontime and several comrades had still not had the time to speak. While the meeting was

going on, Tianjin Deputy Mayor Wu Zhen [0702 2182] had his secretary make a special telephone call on behalf of Mayor Li Ruihuan [2621 3843 3883], requesting the Market Management Committee to come up with proposals as quickly as possible for implementing the important directives of comrades in the central leadership and improving Tianjin's food industries rapidly. The confidence of all participants that this can be done is very high. All said "Springtime has come to the world of nature--and to the commercially run food industry as well!"

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DECLINING LIVE-HOG PRODUCTION EXAMINED

Beijing RENMIN RIBAO in Chinese 8 Apr 84 p 2

[Commentary: "Attention Must Be Paid to Falling Live-hog Production"]

[Text] This report has recently learned from concerned departments that live-hog production, which had been on the increase in many of China's provinces for 4 successive years, turned downward last year. According to year-end estimates, hogs stocks on hand in many places throughout the country dropped. In some regions sows were extremely scarce, piglet prices were jumping and a number of farmers were either completely or partially unwilling to replenish stocks which had been sold. This situation should draw the attention of leaders in all areas, and effective countermeasures should be taken as quickly as possible.

Last year witnessed an almost unprecedented bumper harvest for farming "in all food crops" and, logically speaking, should have been a "boom year for live-stock." Why is live-hog production falling then? The reasons are not the same in all places, but the fact that concrete incentive policies for live-hog production have fluctuated sharply, dampening the enthusiasm of farmers for raising hogs, is one common to all of them. Some provinces placed caps on merit sales of grain and even eliminated purchase prices for special grades of hogs. Responsive reward measures have not been adopted with regard to feeding of lean pork hogs. Most blatant has been the failure to make reasonable purchase price adjustments for lean pork hogs. As a result, not only has the goal of rewarding production of lean pork hogs not been reached, but farmer enthusiasm for raising higher fat-content hogs has been damaged as well. Moreover, "hog-selling difficulties" have cropped up in many places, which is basically a problem created by a lack of smoothly flowing channels or circulation. And yet some individuals, without even investigating, assume that there is a pork "surplus" and consequently do nothing to open up these channels or organize transportation and marketing but, conversely, restrict purchasing and raising, hold down grades and prices and chill the farmer's enthusiasm.

There is another reason for a drop in live-hog production. When feed supplies are inadequate, quality goes down, prices rise, hog-raising costs to the farmer are high and the profits they receive low. A reaction in many places is "hog raising is not as good as grain selling" or "raising a hog is not as good as

raising a few hens." This demonstrates that certain current problems in the pricing system must be alleviated immediately.

At the same time as live-hog production is going down in many parts of the nation, Sichuan's production continues its upward rise. By the close of last year, there were increases across the board on six indicators for Sichuan: pork output, number of head being marketed, number of head on hand, average weight per hog, rate of hogs being marketed and number of sows. These fulfilled the planned quotas for the "Sixth 5-Year Plan" 2 years in advance. Why is Sichuan able to continue upward? Summing it up in one point, it is because policies are stable and measures can become effective. Once the contract responsibility system was implemented, the farmers were quickly reassured: There would be no change in the national policy of incentive sales for hog raising, so that when a hog was purchased the farmer could "sell one and keep one on hand, with purchases equal to amounts retained." Nor would the policy of incentives for having sows raise piglets change. Moreover, some new incentive methods were adopted to get farmers to raise hogs. Also, all levels of leadership throughout the province paid strict attention to live-hog production, and whenever the farmer encountered the problem of "hog-selling difficulties," they went right to work to protect the farmer's enthusiasm, opening up channels of circulation however possible, turning "one-knife operations" into "multiple-knife operations," permitting collective and individual businesses and permitting transportation and marketing across county and provincial borders. For this reason, they were able to solve the farmer's "hog-selling difficulties" quickly. As for assigned tasks for purchase of hogs, they implemented a contract system carried from house to house at the beginning of the year. Moreover, all concerned departments coordinated efforts to get farmers to raise their hogs while availing themselves of such preproduction, production and postproduction services as reproduction of improved strains, disease prevention, feed supplies and technological guidance. Over 700 small and medium-size feed-processing factories have already been set up in the province and feed prices are quite reasonable, solving a big problem for farmers who raise hogs.

Sichuan's experience demonstrates that only when incentive sales policies for hog raising have been stabilized, feed problems solved and circulation channels opened up so that the farmer can make a profit raising his hogs, will the hog-raising industry continue to develop. Right now, in order to turn around the drop in live hogs, all areas must get to work on these major issues as quickly as possible.

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DEMAND FOR FARM CHEMICALS STEADILY INCREASES

Beijing JINGJI RIBAO in Chinese 29 Mar 84 p 4

[Article: "Volume of Farm Chemical Demand Will Show Steady Increase"]

[Text] According to a report in "Market Quotations" of the Ministry of Commerce, as rural commodity production develops and agricultural S&T becomes more broadly applied, demand in all regions for farm chemicals--especially those high in effectiveness and low in toxicity--will become more pressing. From the standpoint of the national conference on agricultural chemical demand, this year's total demand for farm chemicals is up 6 percent over last year. Of that figure pesticides are up 5 percent and fungicides up 20 percent, while the volume of demand for the salable types of herbicides has increased rather greatly.

This year, the chemical industry departments' planned production is quite greater than the 1983 output of the same chemical types. The total output should closely match total nationwide demand volume. Production and sales should be in basic balance. Some ups and downs will occur for specific types. Among the pesticides, [?octyl sulfate-phosphate] and long-effective phosphates, and among the fungicides, wide spectrum agents, and anti-rice blast agents will all see some deficiencies in supplies. However, outputs of such pesticides as methyl-1605, Malathion, and 3911 should be greater than demand.

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GRAIN DEPARTMENT TURNS DEFICITS INTO PROFITS

Beijing RENMIN RIBAO in Chinese 31 Mar 84 p 2

[Article: "Improve Business Management; Travel the "Purchasing-Processing-Marketing" Road: Anhui's Grain Department Turns Deficits Into Profits"]

[Text] This paper introduced the story of how deficits were turned into profits in the grain system of Honan's Luyi county on page 2 of its 22 January edition. More recently news has arrived that the Anhui Provincial Grain Department had realized a net profit of 14.77 million yuan for the province as a whole last year. This is really heartening news. The facts in Anhui prove once again that grain departments, which for a long time were considered impervious to loss turnarounds, can become profit-making. The key to this effort is to courageously reform the whole gamut of old management systems and methods. Every comrade in grain departments who is dissatisfied with losses should be just as courageous in reform as these comrades in the grain systems of Luyi county and Anhui province so that their own units can turn deficits into profits and break through to a new situation. Grain enterprises in Anhui began to turn deficits into profits in 1983. The province as a whole realized a profit of 14.77 million yuan for the year, closing off a chronic period of deficits. Last year regular price business in grain and edible oils reduced losses by 34.1 percent. Negotiated price business showed a profit of 41.01 million yuan. Grain and oil industry profits were 40.70 million yuan and transportation profits were 4.64 million yuan. The number of cities and counties turning deficits into profits totalled 43, comprising 58.1 percent of the whole.

The change in Anhui's grain enterprise business began with reforms in the financial system in the last half of 1979. Grain enterprises in this province had had a long period of deficits, with a net loss of 72.33 million yuan in 1978. From the second half of 1979, reforms were carried out in the financial system of the province's grain system. In 1980, such policy measures as

"deficit quota subsidies" and "expense quota deficit reduction shares" were implemented throughout the province's grain commerce. Floor profit plus excess profit retention was implemented in the oil industry and transportation enterprises. Proportional grade shares were applied to profits in negotiated price businesses. It was especially after comrades in the central leadership issued their important directives in May 1982 with regard to the deficit turnaround in the grain department of Chu county that impetus was given to the work of developing the grain system throughout the province. Ever since the latter half of 1979, the grain business situation has been getting progressively better and economic results have continued to rise. Altogether over the last 5 years they hit the target of conserving 99.9 million yuan of provincial fiscal resources. Local, municipal, and country finances shared a total of 28.62 million yuan of negotiated price profits; and enterprises received shares for reducing losses and increasing profits.

In turning deficits into profits, Anhui paid particular attention to improving internal conditions in grain enterprises and management facilities. Anhui was one of the earlier provinces to contract production responsibility to households. As farm production enthusiastically expanded, the rate of grain and oil increase was rather large and grain entering storage went from 6.1 billion jin in 1978 to 13 billion in 1983. Under these conditions, and supported by concerned departments these grain departments employed "concentrated deficit reduction shares" self-collected funds, and depreciation funds to build new grain storage facilities with a capacity of 387.8 billion jin and oil tanks holding 95,000 tons. They added 457 pieces of mechanical grain equipment. Ninety localities, cities, and counties set up 82 specialized grain convoys and built or refurbished 46 grain/oil food product factories, constructed 29 rice, flour, and oil factories, and 29 mixed feed factories. In this way, farmer "difficulties in selling grain and oil" were alleviated.

Over the last few years Anhui's grain department succeeded in the following tasks centered around raising economic results:

1. Successfully managed to meet state grain purchase figures, stressed upgrading the quality of grains and oil entering storage, and controlled parity for grain sale amounts between town and country. The grain department had the purchase figures in the households on time. It maintained the policy of "excepting no household and relieving not a single jin of grain" for brigades and communes with bumper crops. Where harvests were upset by natural disasters the policy was "reduction in proportion to the loss". For those with shortfalls a system of balances due was implemented, with the balance due the following year. At the same time, it stressed the quality of grain and oils entering storage. The 1983 figure for wheat of classes 1, 2, and 3 entering storage was 88.1 percent--up 13.5 percent from 1982.

2. Vigorous development of grain/oil processing and the food product industry. In 1981, they brought together financial resources to carry out equipment renovation and technological transformation in the industry. They expanded production capabilities and gradually proceeded toward development of more elaborate and complete processing. The proportion of choice rice and flour increased steadily. 1983 production of choice rice amounted to 33.1 percent

of all husked rice--a 4.8 fold increase from 1978. Grain and oil by products and food products also developed rather rapidly.

3. Enthusiastic development of price negotiations in the grain/oil business. Since the latter half of 1980, the province and localities, cities, and counties have all established grain/oil price negotiation companies. Those market towns where trade is concentrated set up grain and oil exchange locations. Except for a few kinds in severely short supply, the kinds, amounts, and prices were negotiated by localities and counties themselves. Both local sales negotiations and sales and shipment negotiations linked to other provinces were permitted. Total profits in 3½ years of directly negotiated sales reached 120 million yuan.

4. Successful enterprise consolidation and strengthened economic responsibility systems; improved enterprise management; and firm control of increased income and restricted outlays. For the last few years, they have not only implemented comprehensive quota management for storage, repair, and business management expenses, but have focused on managing transportation expenses, wages, and interest, resulting in a manifest drop in the level of total provincial expenses. At the same time, they consolidated 75 enterprises, destroyed a group of economic criminal elements, and plugged some enterprise loopholes. Economic results for enterprises were markedly improved.

Cadres, staff, and workers in Anhui's grain system feel that these are only initial stage successes, and there is much work yet to be done. All enterprises are preparing to go forward, based upon reforms in the system, to pay close attention to warehouse construction, enthusiastically develop the price negotiation business, accelerate development of the grain and edible oil industry--especially the food product and feed grain industries--travel the "purchasing-processing-marketing" road, and work hard to attain even better profits.

12303

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SPECIALIZED HOUSEHOLDS DISCUSSED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 12, 1983 pp 27-31

[Article by Huang Huanzhong [7806 3562 0022] of the Anhui University Economics Department]

[Text] In recent years, specialized and key households (referred to as the "two households" below) have sprung up throughout the countryside. This is something new in China's rural economic development. At present, estimates from various places on the "two households" vary a great deal. As a proportion of total peasants households, in some areas they constitute 2-3 percent and other areas say that they are over 50 percent. Therefore, it is necessary to carry on a certain amount of theoretical discussion on how to treat the current new economic phenomenon of "two households" which is now just developing.

I

We know that "the agricultural labor productivity rate that surpasses the needs of the individual worker is the basis for all society," and raising agricultural labor productivity, then, is the basis for promoting agriculture internally and for rural specialized division of labor. Because only after satisfying the basic self-sufficient needs of the village can one pursue commercial production and supply ever more and more excess agricultural products.

Generally speaking, agricultural development for the most part must go through three stages: the first stage is self-sufficient agriculture with a very low labor productivity and which generally is based on grain production; the second stage is mixed and diversified agriculture with a gradually rising labor productivity, and particularly when grain output is rising, it goes through a continual transition from self-sufficient and semi-self sufficient agriculture toward a commercial, specialized agriculture; the third stage is specialized, socialized, commercialized agriculture, that is, modernized agriculture.

For a long time, China's villages, seen as a whole, have basically engaged in self-sufficient agriculture based on grain production. But the development of China's rural economy, by region, has been very unbalanced. In areas where agriculture is fairly well developed, initial division of labor by agricultural region has existed for some time, like the historical sugar cane, cotton, tobacco, fruit, silkworm and fishing areas. Speaking from the view point of division of labor, some "two households" that made commodity production the dominant factor had already appeared earlier. After Liberation, since the whole country carried out the cooperativization of agriculture, there have also been definite developments in specialized division of labor in the countryside. Most striking is the fact that apart from creating certain specialized production areas, an agricultural labor force of 30 million entered commune and brigade industrial and sideline enterprises. However, before the end of the 1970s, because agricultural labor productivity grew very slowly, China's agriculture did not break out of the self-sufficient pattern of each agricultural laborer feeding a little over 3 people, and of a national per capita grain ration of about 600 jin. Agriculture was still basically one-crop farming (mainly grain production), and neither poultry and animal raising, fishery nor forestry had formed a set pattern, with village industry and commerce being even less developed.

Due to the reorganization of the rural economic system since the Third Plenum of the 11th Party Central Committee, the family-style responsibility system tying pay to production has been implemented in agriculture. We adjusted and raised the purchase price of agricultural products, launched a diversified economy, opened up country fair trade, and greatly released the productive forces of the countryside, allowing a fairly obvious breakthrough in China's agriculture. The material expression of this kind of breakthrough was the rapid growth in the agricultural labor productivity "surpassing the individual needs of the worker." The national per capita amount of grain ration was 603 jin in 1957, and was 636 jin in 1978, taking 20 years to increase 33 jin. Yet in 1982 it reached 696 jin. Compared to 1978, there was a 100 million reduction of sown grain area and a population increase of over 50 million, yet there was still a 60 jin per capita grain increase in 4 short years, and these 4 years surpassed the previous 20 years by nearly double. This, then, gave forceful impetus to the development of China's agriculture from self-sufficient and semi-self-sufficient production to commercial production. And the appearance of large numbers of the "two households" is exactly a prime indication of the rapid development of rural specialized division of labor and of the gradual transformation of agriculture toward specialized commercialized production.

At present, Chinese agriculture is right in the midst of the process of transforming from self-sufficient and semi-self-sufficient production to socialized commodity production and from traditional agriculture to modern agriculture. The "two households" are not only suited to these two transformations in Chinese agriculture but will also provide tremendous energy to push these two transformations forward. Therefore, supporting,

guiding and protecting the healthy development of the "two households," mobilizing the enthusiasm of tens of thousands of households, increasing production and working to become rich all have important significance in speeding up these two transformations of China's agriculture.

II

At present, there is very little agreement in our understanding of exactly what a specialized household and a key household are. Basically there are two kinds of situations. One kind is a qualitative expression of the idea, that is, first, making the family the management unit, second, characterizing it by commodity production, and third, requiring a certain amount of specialized product (or service). The other kind is a quantification of the notion, such as stipulating that the specialized product income of the "two households" be a certain proportion, and that the commodity quantity, commodity rate and average per capita income all reach a certain amount, etc. That is, equating the criteria for judging with the notion itself. In fact, the development of rural specialized division of labor and commodity production is a process moving from quantitative to qualitative. The two notions described above are both static states and do not reflect the process of change and development of the "two households" by combining quantity and quality. Speaking from the viewpoint of guiding ideology, this static understanding often easily produces the tendency of pursuing numbers and proportions in "two households."

I feel that we need to understand the present idea of specialized households dynamically and from different developmental stages. Seen from the specific meaning of specialized households, this refers to an economic form that takes the family as the unit which pursues specialized commodity production under conditions of socialized division of labor. Specialized production is a kind of single-production management style, in contrast to a comprehensive/diversified management style without division of labor and division of trade. Generally speaking, specialized and socialized production both adopt the family management style and are useful in utilizing science and technology, managing to increase both labor productivity and the commodity rate with good economic results. In some economically developed countries, there are great numbers of highly specialized family farms, family chicken farms and family cattle ranches. Specialized household management style in this sense can only form and develop under conditions of a high degree of socialized division of labor and cooperation. But under China's present stage the "two households" refers to those that have appeared in response to the developmental needs of local productive forces in the process of carrying out the family responsibility system that ties remuneration to production and developing a diversified economy. Some peasant households, by contracting to perform collective industrial sidelines or by developing household sideline occupations, have gradually entered a single trade. The trend in key household management for most households is to combine specialized production with agriculture in the narrow sense (cultivation). That is to

say, the "two households" at the present time are merely in their preliminary stage of moving toward a specialized, socialized level of agricultural development, a kind of embryonic form of specialized production. The general features of the "two households" at present are: one, they have a management scale that is not large, a family management that primarily uses manual labor, and the product amount and commodity amount that they produce are both fairly small; two, their level of specialization and socialization is not high, and not only are most engaged in concurrent occupation management (contracting farmland), but only a small number of households have divorced themselves completely from farmland cultivation and engage in one sole occupation, and certain links in pre-production and post-production have still not independently separated. For example, in the specialized poultry raising field, there are often concurrent production processes such as egg hatching, feed processing, disease prevention and product marketing. Third, specialized division of labor is still not regularized and stable. Therefore, the "specialized" and "key" in the "two households" are only relative and in their initial stages, and must still go through a long developmental process from low to high level in their development toward specialized, socialized commodity-oriented agriculture.

Next, the formation and development of specialized division of labor is restricted by various local social, natural and economic conditions and by the developmental level of productive forces. Therefore, the speed and developmental level of the "two households" in different areas is uneven. In city and suburban areas with fairly well developed commodity economies and transportation, and in agricultural areas with fairly good production conditions, the formation and development of the "two households" is generally a bit faster; while in remote areas where a commodity economy and transportation are not developed, and in mountain areas which can not meet their own grain needs, there the formation and development of the "two households" is correspondingly slower. That is to say that because the developmental level of productive forces differs in various places, there are major discrepancies in the speed and level of development of the "two households."

Further, in different production sectors and different goods, the formation conditions, features and social significance for the "two households" are also different. Grain and forestry production both have particular importance for China, but the formation and development of the "two households" will probably be considerable more difficult for them than for other sectors. Grain is the material foundation for developing the specialized division of labor, and the social requirements for grain are large. It is also the product with the greatest self-sufficiency. Under China's conditions of low per capita arable land and state monopoly for purchase and marketing, apart from a few farming areas with a comparatively greater per capita arable land and large contracting families with comparatively more people and productive forces, the general developmental level of specialization for grain will be somewhat lower than for other sectors. Developing mountain area forestry production is beneficial in

improving the natural ecology, and lumber is a scarce national resource. But forestry's production cycle is long and forestry cannot provide commodities of income during the stage of creating and managing forests, and so good and bad points must be combined, two occupations engaged in at the same time, and to the extent that conditions permit, the level of specialization gradually raised. Moreover, for some types of work and some types of products that are highly commercialized and specialized, such as medicinal materials, fungus, small animals and poultry, there is generally a fairly high commodity rate and high level of income from specialized items. But if not combined with a certain economic scale (commodity amount) and with social needs, they cannot reflect this level of specialization and social and economic significance. Therefore, different production sectors and types of work have their specific character in specialized, socialized development, and in guiding their work, each must be dealt with on its merits. Now, some places have unified their regulations: a specialized household is one with an output value of 65 percent or more from specialized production and whose commodity rate is 80 percent or more; a key household is one in which two items have separately reached 50 percent or more. Taking these regulations on commodity rates as an example, they are not beneficial for supporting and promoting the formation and development of "two households" in sectors such as grains and forestry, and moreover, the regulations for the commodity rate of certain purely commercialized production (such as medicinal materials, fungi, raising bees and earthworms, etc.) are not only meaningless but could also encourage blindness in certain kinds of production.

Preceding from the above analysis, I feel that under China's present conditions, the specialization, socialization and commercialization of agriculture must still go through a long, difficult developmental process. At present, our understanding of the "two households" must not use a fixed, inflexible standard (that is, the "two households" being a certain proportion of total peasant households) to analyze their developmental circumstances, but rather must get a good handle on the developmental changes in quality and quantity from various angles such as the dynamic (process), developmental stage (level), and field (sector). Moreover, we must formulate relative criteria and measures suited to the place, occupation and time, and by no means may we use an "arbitrary uniformity."

III

In supporting, guiding and protecting the healthy development of the "two households" we should have a common object of struggle. That is, we want to push forward the process of the specialization, socialization and commercialization of China's agriculture and open up a whole new situation in the modernized construction of China's agriculture. Under this guiding thought, allow the criteria for measuring the "two households" to be geared to actual circumstances, and reflecting their objective developmental process, enable policies to obtain fairly good results.

How are we to set criteria for the "two households" dynamically and from their developmental stage that are fitted to the locale, the occupation and the time? I feel that the main norm for measuring the level of specialized commodity production of a household is the commodity amount and commodity rate of a single product; and the actual level of specialization and commercialization of each major production sector in a single area, is then, simply the current average level reached by an area or peasant household, such as the average commodity rate for a certain product and the commodity amount provided by the average household or individual, etc. And since the average local level changes along with the development of productive forces, if we set the criteria for the "two households" by using the amount so many percent, so many fold, by which they surpass the local average level, by sectors, we can then reflect the level of specialization for specialized households in different developmental stages, suiting standards to local conditions and different occupations. Each sector would be treated according to its own merits. In general, these can be divided into several situations: 1) The commodity rate should be made the primary thing, combined with the amount of the commodity supplied by the average representative households or individuals, for those products that occupy an important position among present total agricultural commodities, which also have a fairly strong self-sufficiency, such as grain and hogs, etc. 2) The amount of commodity sold to the state by the average household or individual should be made the primary criterion for areas with concentrated commercial production (such as suburban vegetable areas, tea areas, fishing areas, fruit areas and cash crop areas) and for items of production that are fairly commercialized (such as raising small animals and poultry, and producing fungi and decentralized silk-worm, tea, fruit and vegetable raising, etc.). 3) The net average income for the household or individual should be the criterion for industrial and sideline production and for service occupations. 4) A certain scale of enterprise (such as area, number of animals raised or capital invested) should be the basis for developing production with a rather long production cycle, such as creating and managing forests, putting large water areas under cultivation and raising large livestock, etc. As to reflecting the requirements of the "obvious major occupation" in the level of specialization (the proportion of the output value or income of the primary occupation in the peasant household's total output value or income), it should also have a corresponding developmental process. In the beginning there is always more "holding two jobs at once but [moving toward] key households" and then later, "key households but [moving toward] specialized households." These follow along with the development of specialized division of labor and a constantly increasing degree of specialization. Therefore, in the initial stage of developing specialized division of labor, as long as peasant households with diversified occupations or in certain areas and sectors have a tendency to stress one occupation, then most of those with a commodity rate and amount of commodity above the local average for that certain sector do not immediately have to attain the level where over one-half or two-thirds of their income is from their primary occupation, because the extent of specialization for a certain stressed specialized occupation must also have a gradual developmental process going from low to high.

Setting the criteria for the "two households" in accordance with the actual level of agricultural specialization for various local sectors, fitting the locale, occupation and time, can then objectively reflect the developmental process of agricultural specialization and commercialization. First, the criteria requirements for the "two households" are dynamic, and can automatically be adjusted according to the developmental level of the productive forces; generally they can be appraised and adjusted once every so many years. In this way, in relatively stable periods, they can reflect quantitative changes in the "two households," and after adjustment, we can also tell qualitative changes in the "two households," and thereby they will reflect different developmental levels in the specialization of the "two households" in different periods. Second, starting with the actual conditions and treating each according to its merits will allow the encouragement and support of the "two households" in different areas, different sectors and in different stages of development (particularly those in the budding or embryonic stage) and will also reflect a supporting role for the guiding policies for the specialized and commercialized development of certain production sectors. Third, the combining of quantity and quality will reflect the level of specialization of the "two households" at different developmental stages and the "two households" will be able to maintain a set direction and sense of advance in order to achieve the very best results from the policy.

At present, the developmental level of China's rural specialization and commercialization is still rather low, and there are large differences between regions, and therefore the regional scope set for "two households" criteria should not be too large, but should generally be considered at about the county level. Seen from the development of rural specialized division of labor, on the one hand there is now a fair portion of the rural population that can gradually leave agriculture and switch to non-agricultural sectors, and on the other hand, the specialized division of labor within agricultural regions can develop in width and depth. The first means certain types of industry related to agricultural production, such as the processing of agricultural products, technology service, agricultural construction, and the storage, transportation and marketing of agricultural products, etc., can constantly separate off. The second means that farming, forestry, animal husbandry and fishery can constantly specialize in regional division of labor and enterprise (peasant household) division of labor. I feel that the specifications for the "two households" should primarily refer to spheres within agriculture (such as cultivation, animal husbandry, forestry and fishery) and to key and specialized households with division of labor within production and circulation that are directly related to agriculture.

Because at present the level of specialization and commercialization (criteria) of the "two households" in various places is different, I feel that it is unscientific to simply use the proportion of the "two households" within the total number of peasant households to explain the level of specialization or to carry out contrast analysis. In order to analyze contrasting developmental levels of specialization and commercialization in various areas and various sectors, we should adopt comprehensive

criteria. That is, the overall commodity rate of agriculture, the proportion of commodity output value of the main production sectors within the total output value of agricultural commodities, along with the amount of the principle agricultural commodities supplied by the average household and individual and the proportion of commodity income in the per capita income, etc. In order to study the developmental situation of the "two households" in various regions with similar types of production and in the same production sector in different regions in depth, we must adopt unified criteria and carry out some representative surveys of key investigations.

IV

In order to promote the healthy development of the "two households," we must have a accurate understanding of the objective conditions of rural specialized division of labor. Now as we set forth the need to support the "two households" in developing commodity production and encourage the transition of agriculture toward specialization, socialization and commercialization, some comrades simply feel that if the "two households" are developed a little more and a little faster, then the extent of specialization will be a little faster. In actuality, this raises the question of how to treat [the relative] superiorities of a specialized economy and a diversified economy. I feel that the question of whether the specialized or diversified economy is better is determined by objective conditions. Specialized production corresponds to a single-product economic style in a diversified economy. Seen from the production structure of a single area of a single family, "specialized" cannot be "diversified" and "diversified" cannot be "specialized," for the two are contradictory. And yet the two are also related. Generally speaking, a diversified economy is the foundation of specialized division of labor, and specialized production is a development of a diversified economy. That is to say, moving from a diversified economy to a specialized economy requires a developmental process, and the speed of this process is determined by the developmental level of the productive forces. Therefore, in deciding whether a specialized or a diversified economy would be more beneficial, a single area or household in a particular stage of production development must proceed from objective conditions. It must not unconditionally feel that "the more specialized the better," and that a specialized economy is definitely better than a diversified economy. The crux of the matter lies in the economic results of production.

The specialized division of labor can promote the development of productive forces, but specialization must be premised on socialization. That is, the development of specialized division of labor is itself controlled by the actual level of the productive forces. At present, the level of China's rural socialization is not high, transportation and commerce are not developed and education and technology are fairly backward. Therefore, the specialization and commercialization of the rural economy must still pass through a long developmental process. This is particularly true for China's numerous mountain areas, with little arable land and poor transportation. Some of these areas are still in the self-sufficient

economic stage, and the development of specialized division of labor is influenced by conditions in various fields, such as transportation, markets, capital, technology and grain. And under these conditions, in resource utilization, a diversified economy with more than one occupation at once brings relatively higher economic results. According to a survey of Jinzhai county in western Anhui's Dabieshan area the area of mountain land in that county is 12 times that of arable land, but at present the output value of mountain forest and local specialty products is equivalent to only one-sixth of the output value of the arable land; income from grain production is one-half of the total income of all of the agricultural fields of cultivation, forestry, animal husbandry, side-line production and fishery, and each year the county must still transfer in between 80 million and 100 million jin of grain from the state. Under these kinds of conditions, there are many factors limiting it from giving full play to the superior qualities of mountain area resources and from developing specialized mountain and forest production. For example, there is a household in the Zhengwan production team of the county's Nanxi commune's Wuwan production brigade that has seven people in the family and a productive force of 4.5. In 1981, with the support of the prefecture's [Party] committee, the family contracted out 4.5 mu of arable land and 4 mu of hillside land, and put it all into mulberry cultivation, thus developing into a household specializing in silkworm cocoons and mulberry. It earned a per capita income of 690 yuan that year and of 500 yuan in 1982. Due to inclement weather in 1983, there was a reduction in the number of cocoon's obtained, mulberry seedlings were unmarketable, and the estimated per capita income was just over 400 yuan. This household does not have a very high degree of specialization, and only about 60 percent of their income for the past few years was from specialized silkworm cocoon and mulberry production, and they have already run into some problems. One is that income from silkworm cocoon and mulberry production is not stable when adopting traditional technology. A second is that their supplied grain ration must be 2,900 jin more than it was before, requiring the commune to use the grain ration of [other] commune members to make up the quota. A third is that silkworm cocoon and mulberry production have a very strong seasonal character. It takes no more than 5 months to raise a year's 3 harvests of silkworm cocoons. If one specializes only in growing mulberry to raise silkworms, in the busy season, the labor force is inadequate, and in normal times, the utilization of the labor force is insufficient. The households specializing in tea leaf production in this county have similar problems. As for specialized forestry, it has a long production cycle and short periods with no income, and so we must use the short periods to sustain the long periods and institute a diversified economy. Therefore, in circumstances where both the level of productive forces and the degree of socialization are relatively low, implementing a diversified economy within the family is more beneficial to the comprehensive utilization of resources and to multiple, multi-level utilization, as well as being beneficial to long term stability in protecting economic income.

The specialization and socialization of agricultural production must give full play to the superior characteristics of a region, and the developmental process for the specialized division of labor within one single area or

peasant household must also first and foremost take as its foundation the diversified management of certain several sectors or several products. Therefore, in supporting the "two households" as they develop commodity production, we must pay heed to starting from the actual present level of productive forces, suit measures to the local conditions, stress actual results, proceed forward in due order, and neither make excessive demands for the criteria for being "specialized," nor hastily seek results and spoil things through excessive enthusiasm.

12452

CSO: 4007/87

PROVINCE RANKS FIRST NATIONWIDE IN BUSINESS VOLUME

Guangzhou NANFANG RIBAO in Chinese 25 Feb 84 p 1

[Report: "Business Volume in Our Province's Urban and Rural Markets Ranks First Nationwide: Four Changes Emerging in Trade in the Urban and Rural Markets--Specialized Households and Key Households Have Provided New Supplies to the Markets; Specialized and Wholesale Markets Have Arisen in Response; Peasants Have Become Bulk of Hawkers of Agricultural and Sideline Products; And Markets of Industrial Commodities and Small Commodities for Daily Consumption Are Developing Rapidly"]

[Text] Along with the rapid development of commodity production in our countryside, the trade in the urban and rural markets of our province has witnessed the emergence of four new changes.

According to statistics, up to the end of last year there were altogether 2,400-odd markets in the urban and rural areas of our province, and their business volume last year amounted to more than 4.29 billion yuan, ranking first in the whole country. The total average price of this market trade decreased by 4.6 percent from that of the previous year. Along with the rapid development of commodity production in our countryside, there have emerged in our urban and rural markets four new changes. They are:

1. The countryside specialized households and key households have provided our urban and rural markets with new supplies of commodities. The number and varieties of commodities with which they have entered the markets have conspicuously increased. The form of exchange in such market trade has already been changing from the products left over from the peasants' own consumption being exchanged piecemeal directly between the producer and the consumer toward commodity production and commodity exchange by specialized households and key households. According to statistics from the 151 markets in the province's 14 cities, the marketed weight of the three types of poultry last year amounted to more than 18 million jin; that of beef, 8.5 million jin, equivalent to 98.5 percent and 95 percent respectively of the retail volume of state-run commercial enterprises in the municipal districts. The marketed volume of fresh eggs and aquatic products also exceeded and approximated one-half of the retail volume of the state-run commercial enterprises, whereas that of vegetables turned out to be more than 20 percent higher.

2. Specialized and wholesale markets have arisen as needed. Along with the rapid development and expansion of commodity production and commodity exchange, the forms of the original markets no longer meet the needs of today's commodity exchange; hence, there have emerged consecutively from various localities specialized and wholesale markets. Peasants of Chayang commune in Dapu County in the Mei County region, for instance, have traditionally produced dried bean curd [tofu] in tight rolls. To meet expanded production of these rolls, the local industrial and commercial administrative control departments therefore adroitly established a specialized tofu roll market to enable most of the rolls produced to reach nearby Chaoan, Jieyang, and other counties through wholesale channels. This served not only to provide supplies to individual hawkers and increase supplies to the cities, promote urban-rural interchange, but also to facilitate the hawkers' business activities and help strengthen market management.

3. Peasants have become the bulk of the hawkers of agricultural and sideline products. According to incomplete statistics, there are about 100,000 persons in the province engaged in hawking activities, of whom 70 percent are peasants and 30 percent urban individual peddlers. Peasants have already become an indispensable force for opening up the channels of circulation, and are reputed to be the "media of products-commodities conversion"; they have been playing a fine role in promoting commodity production and market prosperity.

4. Markets of industrial products and small commodities for daily use are developing rapidly. According to statistics, the province already has 171 markets of industrial products and small commodities for daily use; their varieties are numerous, serve to make up what people lack, are great conveniences to consumers, and their trading has been most active. Their business volume last year amounted to more than 280 million yuan.

9255

CSO: 4007/116

CONCLUSION OF SPRING SOWING REPORTED

Guangzhou NANFANG RIBAO in Chinese 22 Mar 84 p 1

[Report: "Spring Sowing in the Province Basically Completed: Hybrid and Superior Varieties Planted Acreage Will Amount to More Than 11.8 Million Mu, Double Last Year"]

[Text] Under the inspiration of the spirit of the Central Document No 1 of this year, our province's rural cadres and masses have been making down-to-earth efforts to work on our spring sowing and production. Up to the present point, the province's spring sowing has already been completed. The early round of hybrid and superior varieties planting acreage in the province this year will amount to more than 11.8 million mu, representing an increase of more than 6.5 million mu over that of the corresponding period last year. Of this, places with planting acreage of 1 million mu and above are Guangzhou, Foshan, Jiangmen, Zhanjiang, Maoming Municipality and the Huiyang and Zhaoqing prefectures. On Hainan Island, where the season begins earlier, 1.7 million mu of early rice have been planted already representing 64 percent of the planting acreage originally planned. In the meantime, the province as a whole has also planted 8.67 million mu of economic crops such as peanuts, sugar cane, soybeans, the progress in this regard has also been faster than that of the corresponding period last year.

Around the spring festival, more than 60,000 cadres were transferred province wide to the countryside in order to propagandize Central Document No 1. After the peasants listened to the document, they all actively proceeded to invest funds and fertilizers in their land, start irrigation projects, and revise their production plans. Up to 18 March, the province has already sown more than 30 million jin of hybrid and superior rice varieties. In order to win a rich harvest from this early rice planting and improvement in their per-unit productivity, the various localities, while concentrating on the seasonal sowing, at the same time endeavored to handle well the critical problem of seedling quality. Throughout the province, there is now more acreage of plastic film matched seedlings than last year; in Nanhai and Fanyu county, which are situated in the Pearl River delta area, this year's early seedlings have basically all been matched with plastic film.

For the province as a whole, a fine momentum has already emerged in our spring sowing and production this year; but there are also certain noteworthy

problems. One is that since last winter rainfall has been rather scarce, and spring draught is therefore rather serious; there are 4.78 million mu of fields in the provinces lacking water. A second is that the planned acreage for the planting of hybrid and superior varieties and sugar cane has not been implemented, and there is the danger of this planting plan eventually not being fulfilled. A third is that, after Document No 1 is implemented, the service tasks on the part of the vast ranks of our peasants with respect to farming machines and tools, chemical fertilizers, insecticides, seedlings, technology, and funding are all making new demands. On these problems, various localities are actively adopting measures to find solutions.

9255

CSO: 4007/113

IMPROVEMENT IN CHINESE HERB SALE REPORTED

Guangzhou NANFANG RIBAO in Chinese 21 Mar 84 p 1

[Report: "Sales of Chinese Medical Herbs in Province Rank First in Nation: Shortages, Sold-out State Improved; A Contingent of Production Workers, Procurement Officials, Purchasers, Sales Clerks, Warehouse Wardens, Herbal Roots Processors Commended at Congress of Advanced Workers of Chinese Medical Herbs System"]

[Text] The production of Chinese medical herbs in our province has developed rapidly; their supplies in the market have become increasingly better, and sales last year ranked first in the whole country. In order to promote the further development of the production of these medical herbs, the head office of the provincial medical and pharmaceutical company called on 16-19 March the first commendation meeting for advanced collectives and advanced individuals in the province's Chinese medical herbs system.

The production of medical herbs in our province, because of the interference of the 10-year turmoil, has sustained serious disruption; thus a shortage, sold-out state in the herbs market became increasingly critical and the masses had many complaints. Since the Third Plenary Session of the 11th Party Central Committee, for the purpose of solving this problem, leaders of various localities and departments in charge have all formulated measures to revive our herbs enterprise such as establishing developmental funds for the production of herbs, granting loans at favorable interest rates to herbal management departments, and rebuilding our expanding herbal roots processing plants, and thereby succeeded in having our herbal production recover quickly and develop further. In the past few years in particular, along with the implementation of our economic policies in the countryside, many localities have organized specialized households and key households to develop herbal production. According to statistics of the concerned departments, herbal varieties newly planted in the province last year amounted to more than 60, and the area planted increased by 19 percent over the previous year. Of these, there was considerable development for all the "four great southern herbs," sharen, baji, binglang and yizhi. In the case of sharen in particular, last year's harvest amounted to 875 quintals thus creating the highest level in history.

Along with the development of our herbal production, pharmaceutical departments in various localities also further enlivened their management by adding more depots in their networks, setting up warehouses, and holding exchange meetings, etc. Hence, both purchases and sales in the province's herbs market have been thriving. Last year's net purchases and net sales increased 48 percent and 19.8 percent respectively over those of the previous year, with sales ranking first among all provinces (regions) of the country. The varieties which suffered shortage and lack of supplies decreased by 61 from those of the previous year. There are now fully sufficient supplies for those varieties which had suffered such shortage for a long time, such as huanglian, beimu, etc.. Besides, the province has also imported and planted a batch of southern herbs and cultivate artificially such herbs as niuhuang and chenxiang in order to contribute toward the development of our resources of medical herbs and raising their quality and economic results.

This meeting commended 61 advanced collectives and 262 advanced individuals. During the meeting period, deputy governor Kuang Ji [0562 0679] was present and delivered a talk. He expressed thanks to advanced representatives and advanced units of the six groups of great workers from the forefront of herbal production and management (production workers, procurement officials, purchasers, sales clerks, warehouse wardens, and herbal roots processors), and the hope that all would put their heads and their efforts together in order to make contributions to our herbs enterprise and thus better satisfy the needs of the masses.

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CSO: 4007/113

GRAIN, COTTON MIX PROBLEMS ANALYZED

Beijing NONCYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 11, 1983 pp 1-4

[Article by Gong Huanwen [7895 3562 2429], Hebei Provincial Planning Commission: "An Investigation into the Contradiction Between Grain and Cotton in Hebei Province"]

[Text] Grain and cotton both are of vital importance to the national economy and the people's livelihood. The broad alluvial plain that lies to the east of the Taihang Shan and to the south of the Yan Shan in Hebei has loose and thick-layered soil, is flat and thus is suited both to grain and cotton cultivation. Yet, because arable area is limited, the question of whether to plant more grain or more cotton remains a contradiction in Hebei's agricultural development strategy that must be resolved and is a major issue that has been debated for many years without resolution. This article will attempt a simple investigation into the matter in the hopes of achieving a few results.

The Advantages of Cotton and the Relationship with Grain

Cotton production provides the greatest economic advantage for Hebei's agriculture, for Hebei has a long history of cotton cultivation and has been acclaimed as "China's leading cotton-producing province." Hebei's natural conditions, such as soil and climate (including sunlight, average temperature and rainfall), are suited to cotton cultivation, and the province possesses an ample supply of labor, abundant experience in cotton cultivation and an excellent processing capacity. For both the state and the province, Hebei's cotton production and processing occupy crucial positions. Cotton provides peasants better incomes, contributes much to the state and produces outstanding economic results. The export of 100 jin of ginned cotton earns about 1,000 jin of wheat from the international market. Processing--including ginning, spinning, weaving, printing, dyeing and clothing manufacturing--can provide employment for 10,000 to 20,000 people and earn more than 100 million yuan in capital accumulation for the state. Based on current international market conditions, the export of 100 million jin of ginned cotton and woven cloth can earn \$50 million in foreign exchange and an international trade profit of close to 40 million yuan.

Such being the case, why can we not turn all suitable land in Hebei over to cotton cultivation? The answer lies in the grain problem.

First, the people are dependent on food, and thus food is the most important issue. Historically, Hebei has been a grain-deficient province. From 1953, when the grain purchase and marketing monopoly was established, through 1983, the state provided Hebei with a total of more than 29 billion jin of grain, 3 billion more jin than in the highest year. The state's burden is heavy, everyone is concerned about the grain purchase and marketing system and thus all levels of party and government leadership place great emphasis on the people's livelihood. As Lenin put it, "The most fundamental issue in life is the grain problem."¹

Since the 3d Plenum of the 11th CPC Central Committee, the state has adopted a series of rehabilitative and other correct policies for agriculture that have stimulated grain production and promoted diversified farming. Between 1979 and 1982, Hebei's average annual grain production reached 33.1-plus billion jin. This represented an increase of more than 3.2 billion jin over the average of the first 3 years of the Fifth 5-year Plan, which increase greatly mitigated the contradiction between grain supply and demand. Yet it should be noted that during this 4-year period the province still received nearly 2.1 billion jin in grain deliveries, was rewarded with more than 2 billion jin in grain for cotton production and annually consumed an average of more than 1 billion jin in state-supplied grain.

Second, agriculture is the foundation of the national economy, and grain is the foundation of that foundation. Comrade Chen Yun has stated: "When we speak of whether or not the market is stable, we refer primarily to whether or not the grain situation and grain prices are stable. If the grain situation and grain prices are unstable, the entire market price structure cannot be stabilized, and national development cannot progress."² Several times since the founding of the People's Republic, we have been forced, because of tight grain supplies, to reduce urban population, cut industrial investment, curtail the scope of capital construction and reduce the speed of development. This illustrates that grain supply conditions and the growth rate in grain production directly affect the development of the food, condiments, starches, brewing, feed, pharmaceuticals and the textile and chemical industries and are the most important factors conditioning the development of diversified farming. Forestry workers need grain allowances, livestock raising and aquatic breeding require good feed and many commercial crops need sales-award grain. The implementation of grain rations for cotton growers and of the sales-award grain program is a major factor contributing to Hebei's ability to escape stagnation in cotton production.

Third, when developing their economic advantages, localities must follow the state plan. Some people have advocated reliance on state grain deliveries in order to develop Hebei's cotton production. I believe this view ignores the overall picture and is impractical. The grain issue has become a strategic weapon used by some countries to exploit others. In recent years, China has become the third largest grain importer in the world. According to estimates by the UN Food and Agriculture Organization, by the year 2000 the world will face an annual grain shortfall of approximately 100 million metric tons. Thus if China, a large country with a population of 1.2 billion, relies upon the international market, she will find it hard to avoid foreign domination.

We must, therefore, resolve our problems domestically. Hebei has a population of 53 million, or 5.3 percent of the national total; an arable area of almost 100 million mu, or 6.7 percent of the national total; and a per-capita arable area that is higher than the national average. Hebei is also located on the North China Plain. Thus we must not force the state to continue increasing grain deliveries to our province, and we must try every way to expand grain production and reduce the state's burden as much as possible. This means that we must resolve Hebei's grain problem locally and make steadily increasing grain self-sufficiency the fundamental guiding ideology in Hebei's future agricultural production.

The Way to Expand Both Grain and Cotton Production

Can Hebei expand cotton cultivation and give fuller play to the advantages of cotton production while ensuring steady increases in grain output? One view holds that expansion of the area sown in cotton necessarily affects grain output and that we must reduce cotton cultivation in order to ensure growth in grain output. The 30-year history of the People's Republic, however, by no means confirms this view.

According to statistics, in 1949 Hebei had a cotton-sown area of 9.38 million mu and produced 216 million jin of ginned cotton. By 1957, the province had a cotton area of 14 million mu and produced more than 600 million mu of cotton. During the same period, the grain area ratio declined, yet grain output reached 1.5-plus billion jin, an increase of more than 930 million jin over 1949. Thus both grain and cotton experienced large and simultaneous increases.

After 1958, grain was unduly emphasized, and the cotton area was limited. By 1965, Hebei's cotton area was reduced to 10.7-plus million mu, and cotton output fell to 520-plus million jin. Yet the growth rate for grain output was not much greater than it was prior to 1957.

After 1966, the cotton area was further reduced to 7-plus million mu, although there was some growth in grain output. Nevertheless, whereas during the First 5-year Plan Hebei exported more than 300 million jin of cotton annually, by the Fifth 5-year Plan the province was importing more than 100 million jin per year.

After the 3d Plenum of the 11th CPC Central Committee, crop mixes were readjusted; more importantly, the production responsibility system was implemented throughout the province, and farm prices were increased. Thus the vast reservoir of peasant enthusiasm was unleashed. In 1982, the provincial cotton area rose to 11 million mu, an increase of 3 million mu over the previous year, and cotton output reached 770-plus million jin, an increase of 72 percent (more than 300 million jin) over the previous year. While the grain area experienced a corresponding decline from the previous year, grain output nonetheless rose by more than 350 million jin, or 11 percent. Forestry, animal husbandry, sideline occupations, fishery and other commercial crops all experienced bumper harvests too.

These facts illustrate that rational planning can enable Hebei to achieve simultaneous increases in both grain and cotton production. By rational planning, we mean rational readjustment of crop-sown areas, full consideration of all factors affecting grain and cotton output, an increase in developmental investment and an emphasis on yield improvements. Given Hebei's actual conditions, there must be a limit to grain and cotton area readjustment; cotton fields cannot be expanded endlessly. However, this does not mean that present crop area ratios are the most rational but rather that adjustment should continue where necessary and be rolled back where excessive. I believe we can adopt, in accordance with local experience, at least some of the following measures in order to increase Hebei's grain and cotton output simultaneously.

First, move cotton fields to the east and readjust the grain and cotton mix. Hebei's cotton fields are distributed throughout more than 100 counties. Rational readjustment and appropriate concentration in accordance with climatic, soil and other factors are absolutely necessary. In terms of productive conditions, the western part of Hebei lying along the Beijing-Guangzhou railway is far superior to the Heilonggang area in the east. Because cotton is much more adaptable than grain to soil acidity, alkalinity and salinity, cotton yields are basically consistent between the east and west, while those of grain vary greatly between the two areas. For example, in 1981 cotton yields in Shijiazhuang Prefecture were 68 jin per mu, only 10-odd jin higher than those in Cangzhou and Hengshui Prefectures, while grain yields in the former were 550-610 jin (1.7-2.3 times) higher than those in the latter two prefectures. See the following table.

Comparative Yields of Cotton and Grain in Shijiazhuang, Hengshui and Cangzhou Prefectures, 1982

Crop	<u>Shijiazhuang</u>			<u>Hengshui</u>	<u>Cangzhou</u>
	Average yield (jin)	Yield in 6 high- output counties (jin)	Yield in 6 western counties (jin)	Average yield (jin)	Average yield (jin)
Grain	918	1,153	663	426	362
Wheat	469	570	329	190	172
Cotton	77	82	57	82	78

Note: The six high-output counties include Zhao, Gaocheng, Luancheng, Zhengding, Caoyi and Wuji; the six western counties include Huolu, Zhanhuang, Jingxing, Pingshan, Xingtang and Lingshou.

If, in accordance with these actual figures, Shijiazhuang Prefecture replaces 1 million mu of cotton with grain and Cangzhou and Hengshui Prefectures replace 1.5 million mu of grain with cotton, then provincial cotton and grain output can be simultaneously increased by 43 million jin and 327 million jin, respectively. And if rational adjustments are also made between high- and low-output counties, we shall achieve even more striking social and economic benefits.

Similarly, cotton fields should be appropriately transferred from the western prefectures of Baoding, Xingtai and Handan to the east because (1) the soil in the Heilonggang area of eastern Hebei has a high saline and alkaline content, and cotton is more adaptable than grain (cotton has a pH tolerance range of 5.9 to 9; wheat, a range of 4.8 to 8.5; and corn, 5 to 8.5), and (2) Hebei's climate is characterized by dry springs and damp autumns, with rainstorms concentrated in July and August. Only about 27 percent of cotton's total water requirement falls before florescence. And while continuous wet weather can be harmful during florescence, cotton physiologically does require larger amounts of water. By contrast, more than 60 percent of grain's total water requirement occurs prior to florescence. Thus in terms of rainfall requirements, the two crops are suited to this type of readjustment. At the provincial level, therefore, appropriate increases in the cotton-sown area will not lead to reductions, but rather to increases, in grain output.

Second, to transform the heavily alkaline soil of the Heilonggang area, we should tailor measures to suit local conditions and expand the local cotton-sown area. Long-abandoned alkaline land on the edges of some villages in Jing, Ji and Fucheng Counties in Hengshui Prefecture has a salt content as high as 8 percent, and no sprouts grow from such land. When the contract responsibility system was implemented, however, some commune members began using furrow seeding to avoid excessive surface alkalinity (or flushing fields with large amounts of water to reduce surface alkalinity), pot cultivation of seedlings and other cultivation techniques. Thus ginned cotton yields rose to approximately 100 jin per mu in the same year these new systems were employed, and under good water and fertility conditions and with high levels of scientific management, yields have reached approximately 200 jin per mu. Studies of Hengshui Prefecture indicate that when this experience is extended, cotton cultivation can be expanded by 200,000-300,000 mu in the prefecture, while the grain-sown area can be basically maintained. Cangzhou Prefecture and the eastern counties of Handan and Xingtai Prefectures, all of which belong to the Heilonggang region, can also do much work in this area, where great potential exists.

Third, we should rationally implement cotton-wheat intercropping and appropriately develop summer-sown cotton. Hebei's cotton-grain contradiction is most prominently manifested in the competition for sown area between cotton and wheat, for the principal cotton-producing districts are usually the principal wheat-producing districts. To resolve this contradiction, Hebei's peasants have developed many forms of cotton-wheat interplanting, yet because the previous guiding ideology emphasized grain over cotton so that wheat squeezed out cotton, these forms have lost prestige. We should further advance scientific research in this field so that these forms are steadily perfected. In the past several years, Zhengding, Luancheng and Hejian Counties have extended summer cotton sowing and have explored new ways to intercrop cotton and wheat. Based on these counties' model experiments, a new cotton variety that has a growing season of about 120 days (which is 80 days shorter than that for spring-sown cotton) has been developed, and sowing has been changed from the spring to after the beginning of summer, the seventh solar period, which lasts from late May to early June. When cotton is intercropped on the broad back of wheat, the two crops do not affect each other very much. And if water and fertility conditions are good and management practices

appropriate, each mu can produce 600 to 700 jin of wheat and more than 100 jin of ginned cotton. Meanwhile, the cotton aphid and the second-generation bollworm can be avoided, seedling disease can be reduced and profits can be correspondingly increased. Through numerous experiments, the Beijing Textile Fiber Testing Institute developed the summer-sown "Zongmiansuo 10," whose staple is about 20 mm long and which meets first-grade standards. Although the staple of summer cotton is somewhat inferior to that of spring cotton, more than 60 percent of the cotton yarn employed in Hebei's textile industry requires staple lengths of 29 mm or less, yet only 30 percent of Hebei's ginned cotton output meets this requirement. Thus an appropriate expansion of summer cotton would serve both to meet the needs of the provincial textile industry and to increase cotton production. We would achieve even greater economic results if we were to select early-ripening wheat or to employ summer cotton and double rotation of cotton and vegetables (such as garlic) or of cotton and oil-bearing crops (such as rapeseed), through which we could appropriately readjust the sown areas of vegetables (or oil-bearing crops) and grain.

Fourth, yield improvements provide the fundamental means of resolving the grain-cotton contradiction. Some districts in the province produce 1,000 jin of grain per mu year after year, while the yields of others remain at levels between 100 and 300 jin. According to provincial data for the past 3 years, high-output districts, which enjoy average per-mu yields of 600-plus jin, include 47 counties (and cities) and more than 17 million mu of cultivated land; low-output districts, which produce less than 300 jin per mu, include 25 counties and 19 million mu of cultivated land; and medium-output districts, which have average yields of 300 to 600 jin, include 77 counties and nearly 39 million mu of cultivated land. Medium-output districts not only are large in extent but also enjoy productive conditions that approximate those of high-output districts. If we accelerate improvement of middle-output fields, make rational use of fertilizer, disseminate appropriate technology and introduce scientific management, we can raise these districts' yields to 600 jin and increase provincial grain output by 700 million jin. If all of this is achieved by 1990, we can reduce the state's burden and withdraw some grain land for additional cotton cultivation. As for the transformation of low-output districts, the potential for increasing output is even greater, though naturally we will have to exert great effort in this work. In addition, we must not assume that production in high-output districts has reached its limit. In 1982, provincial output of both grain and cotton increased enormously, and in 1983 wheat output set yet another record, even though the sown area for that crop declined by 7 million mu from the record set in 1979. These and other facts indicate that much potential definitely exists for improving Hebei's yields.

In order to resolve Hebei's grain-cotton contradictions, we must also strictly prohibit excessive building on cultivated land, pay attention to appropriate reclamation of uncultivated sandy land, check the steady decline in cultivated land and reduce the pressure on grain by strictly controlling population growth, emphasizing reductions in grain use, diversifying food sources and changing the monolithic structure of food consumption. In addition, the 60-plus million mu of grassland, grassy slopes and grassy coast

land in the province should be used for the vigorous development of herding. There are also a coastline of several hundred km and a freshwater surface area of 1.2-plus million mu that should be vigorously used to increase aquatic production. The people derive 85 percent of their calorie intake from grain, and if we can diversify farming and increase supplies of such non-staples as meat, oil, eggs and milk, then grain consumption can be correspondingly reduced.

Several Problems to Which We Must Be Attentive

We may select the above measures to resolve Hebei's grain-cotton contradiction. Nevertheless, we must also do much concrete work if we are truly to give full play to the advantages of cotton production, achieve continuous increases in grain and cotton output and promote the comprehensive expansion of industrial and agricultural production.

First, under the guidance of the state plan, we must implement a unified program. As Comrade Chen Yun has pointed out, "Agricultural economics must also make the planned economy central and allow the market to play a supplemental, regulatory role."³ Readjustment of the grain-cotton mix is an important matter that affects the general economy and thus must be carefully studied. We must both scientifically forecast Hebei's grain needs and estimate the effect of mix readjustment as well as ensure implementation of the state's unified plan for Hebei's agriculture. Thus, on the basis of general surveys of agricultural resources and regional planning, we must employ medium- and long-term planning, scientific verification and comprehensive balance to design a general plan for each type of crop sown area and rationally set the grain-cotton mix. We must correct the previous problem of "emphasizing grain over cotton," avoid the tendency to neglect grain production and, under the guidance of unified planning, steadily rationalize the grain-cotton mix and reduce blindness in policy making.

Second, we must rationally readjust the economic incomes of the grain- and cotton-producing districts. Historical experience demonstrates that in readjusting the grain-cotton mix, reliance on administrative measures alone will not suffice. Instead, we must correctly employ the law of value and such economic measures as prices, tax collection, fiscal subsidies and reward sales to play their full roles. For, based on current relative price ratios and production levels, the cultivation of cotton is more profitable than that of grain crops. Consequently, peasants are more enthusiastic about growing cotton and oppose reducing cotton area, and the policy of moving cotton fields eastward has proved especially difficult since the family production responsibility system was implemented. The basic principle for resolving this problem should be to guarantee that peasants' incomes not decline when cotton fields are reduced. Until such time as the state readjusts the price ratio between cotton and grain, we should rationally readjust the requisition (purchase) quotas between grain and cotton and adopt surcharge allowances and other types of material incentives so as to induce peasants to meet planned requirements.

Third, we must strengthen agricultural technical work and deepen and broaden production. Science and technology are productive forces and thus must be

strengthened through the following methods. (1) We must place great emphasis on the three important elements of seeds, productive conditions and cultivation technique, and we must establish and perfect the system of improved-variety breeding, propagation and extension so as to raise improved-variety standards. (2) We must conscientiously organize joint assaults in improving saline-alkaline land and strive to make breakthroughs in this key task and to improve productive conditions. (3) We must reform the cropping system, make use of the ability of crops to benefit each other and aggressively extend and restore scientific rotation and intercropping. (4) In key grain and cotton districts, we should establish technical extension, demonstration and training centers; unify our technical strength; train peasant technicians; build technical service networks; and vigorously disseminate and comprehensively apply existing technological fruits.

FOOTNOTES

1. V. I. Lenin, "Collected Works of Lenin" Vol 27 p 405.
2. Chen Yun, "Chen Yun Tongzhi Wengao Xuanbian" ["Selected Draft Writings of Comrade Chen Yun"] p 56.
3. Chen Yun, "Several Ideas Regarding Economic Work" in "Sanzhong Quanhui Yilai Zhongyao Wenjian Xuanbian" ["Selected Important Documents Since the Third Plenum"] p 989.

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COTTON PROCUREMENT METHOD CHANGED

Shijiazhuang HEBEI RIBAO in Chinese 13 Feb 84 p 2

["Questions and Answers on Countryside Economic Policies" column; data provided by the cotton-hemp company of the provincial supply and marketing cooperative: "How to Understand and Implement the Proportionate Price-Increase Method for Cotton Purchase "]

[Text] Since the arrival of new cotton in the market in 1984, the state decided to change the cotton purchasing method of fixing a base-figure and increasing the price on the amount purchased beyond the fixed amount (briefly termed the base-figure method, the same below) into fixing a list price and increasing it in purchase proportionately (briefly termed the proportionate method). Most recently, not a few people have written letters to ask about this change into the proportionate method and its concrete provisions and approach. There have also been certain people who exhibited the misunderstanding that "since the base-figure method is no longer in practice, that means there are no more augmented prices." For this reason, we have invited the cotton-hemp company of the provincial supply and marketing cooperative to furnish the answers to the relevant questions.

Question: Why should our method of increasing the price of cotton be changed?

Answer: Since the base-figure method of cotton purchase was put into effect by the state in 1977, it has mobilized the enthusiasm in production on the part of the vast ranks of our peasants and promoted the development of cotton production in our province; historical record has been created in both cotton production and cotton purchase. However, along with the development of the situation in our cotton production, the base-figure method also has revealed some of its problems. For example, there is a great gap between the base-figures for quota purchase in the old and the new cotton-producing districts. Also, the present base-figure for quota purchase is determined by the average amount of purchase for the 3 years from 1976 to 1978. At that time, our cotton production was rather uneven; some base-figures for quota purchases in our province were as high as 100 jin, whereas a lower base-figure would be fixed at only a few jin, and, in a new cotton-producing district there might

not be any base-figure for quota purchase at all. This way, while the cotton farmers might submit the same quantities of cotton of the same quality for sales, because of the difference in base-figures, the price increases they got could be very different; this was hardly reasonable. After the household production responsibility system was generally put into practice in the countryside, the base-figures for quota purchase were also found to be hard to implement fully; in the meantime, the base-figure price-increasing method was found to be also very complicated procedurally and to require a lot of work; this made it impossible for the money from price-increase to be realized immediately. For this reason, the central authorities' decision to change this base-figure method into the proportionate method really accords with the interests of the state, the collectives, and the individuals; it is bound to be welcome to the ranks of cadres and masses in the cotton-producing districts.

Question: What are the concrete provisions of the proportionate method for cotton purchase? How are they being implemented in our province?

Answer: The State Council has prescribed that when the cotton farmers submit their cotton for sale, the cotton-producing districts in the south shall all make payments according to the regular 40-60 percent ratio of accounting (40 percent at the increased price, 60 percent at the fixed price), and those in the north shall do so according to the inverse 20-80 percent ratio (20 percent at the fixed price, 80 percent at the increased price). Our province belongs to the northern cotton-producing region, and therefore follows the inverse 20-80 percent ratio in its implementation. Concretely speaking, it means that of every 100 jin of cotton the cotton farmers submit for sale, 20 jin would be calculated at the fixed price, and 80 jin would be at the increased price. It is a misunderstanding that, if the base-figure method is changed into the proportionate method, it would mean no price-increase would be given.

Question: What are the benefits for following the proportionate method in our cotton purchase?

Answer: There are three benefits: First, it fundamentally solves the contradiction between greatly different base-figures for cotton purchase in different districts, and between greatly different incomes, with their attendant joy and suffering, for the cotton farmers; it protects the interests of the new cotton-producing districts while also looking after the old districts, thus proving to be beneficial to the development and stability of cotton production in our province. Second, it simplifies the accounting procedure; this makes it possible for the cotton farmers to receive the money from the price-increase right away as they submit their cotton for sale, thus making things easier for the cotton farmers. And third, it shuts off the loophole through which a few people seek to change their production brigade affiliation and merged with other households in fraudulently obtaining money from price-increase by the state and hence reduces the expenditure which the state should not sustain to begin with.

Question: Why was the 5 percent subsidy beyond the fixed price for cotton-producing districts in the north cancelled?

Answer: The State Council has prescribed that, while implementing the proportionate method, the subsidy of 5 percent beyond the fixed price for cotton-producing districts in the north must be at the same time cancelled. This was because, for a long period prior to 1979, the cotton farmers in the northern cotton producing districts made little profit from planting cotton and felt that it hardly paid; this affected our cotton production. In order to make a go of cotton production in the north, the state adopted the temporary measure of granting a 5 percent subsidy beyond the fixed price to northern cotton-producing districts. During the past few years, there has been greater development in cotton production in our province. In the price-increase ratio prescribed this time, the northern cotton-producing districts also enjoy a 40 percent difference over the southern districts. Therefore, the state's decision to cancel the 5 percent subsidy beyond the fixed price is really quite appropriate.

The Provincial Supply and Marketing Cotton-
Hemp Company

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CSU: 4007/116

FORECAST ON SUPPLY AND DEMAND OF FARM PRODUCTION MATERIALS

Shijiazhuang HEBEI RIBAO in Chinese 9 Feb 84 p 2

[Report: "A Forecast on the Supply-Demand Situation in Farm Production Materials"]

[Text] In order to do a good job in supplying farm production materials for the spring of 1984, the provincial farm production materials company has, on the basis of a survey of the situation in 198 typical households, carried out an analysis of the supply-demand situation in farm production materials for the spring of 1984 and provided a forecast. The concrete situation is as follows:

1. Chemical fertilizers. Supplies for January through May this year stand at 2,097,000 tons; quantitatively speaking this exceeds demand by 189,000 tons, but there is no balance between the varieties. Of the above amount, phosphate fertilizer supplies measure 457,000 tons, exceeding demand by 239,500 tons; carbon and ammonium fertilizer supplies measure 928,200 tons, exceeding demand by 234,300 tons. Both of the aforesaid categories can satisfy the demand. But there is a gap in certain varieties; of these, carbamide fertilizer supplies fall 179,000 tons short of demand, niter and ammonium fertilizer supplies fall 522,000 tons short of demand. During the past 2 years, demand for compound fertilizers have continued to rise, but our supplies are limited; from January through May we can only supply 187,300 tons, 93,000 tons short of demand. Because the shortages in the above three categories are rather considerable, demands for carbon and ammonium fertilizers will increase greatly according to estimates.

2. Insecticides. Our supply measures 134,000 tons and, quantitatively is 7.6 times more than demand. Limited demand does not necessarily reflect a peasants' diminished need for insecticides but that, along with the development of our production and the increase in our commune members' income, the peasants' demand for insecticides has changed from powder products to liquid products which are highly effective and low in poisonous contents, thus the demand for the powder insecticides decreases year after year. Today, the powder insecticides in our storage houses far exceed demands. When sowing is done with furan mixed in the soil, such powder products can simultaneously guard against pests in the budding period; it is therefore welcomed by the peasants. In the spring this year, the province needs 17,000 tons of furan. But existing supplies can only meet the demand for 7,000 tons, with the shortage to be

substituted, according to present plan, by methyl-sulphur-phosphorus and "3911." It is estimated that mixed insecticides for our spring sowing will be able to meet demands.

3. Plastic Film. Supplies now measure 10,066 tons, exceeding demand by 1,956 tons. Of these, there is shortage in mulching film, and supplies should be actively organized accordingly so as to assure satisfaction of demands.

4. Draft animals. Supplies now measure 8,567 head, exceeding demand by 2,011 head. According to available statistics, supplies of draft animals in the spring of 1983 increased by 1.09 percent over those of the corresponding period in 1982, but sales were somewhat down. The reason is not that the masses have not needed the animals but because the managing departments have been afraid of losing money and hence reduced their incoming transfers. It is understood that what the masses need is mainly cows and donkeys at a reasonable price. It is estimated that during the spring sowing this year, so long as incoming transfers can be timely made according to the masses' needs, the sale of such animals will increase over that of the corresponding period last year.

Abridged from SHICHANG QINGBAO [MARKET INFORMATION]

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COUNTRYSIDE COMMODITY PRODUCTION STRESSED

Shijiazhuang HEBEI RIBAO in Chinese 25 Feb 84 p 1

[Editorial: "Fully Develop Countryside Commodity Production"]

[Text] The development of joint production contractual system has promoted a social division of labor in the countryside; a large contingent of laborers are now differentiated from land management to engage in industries, commerce, service industries, breeding and cultivation industries; planting industries, too, are gradually gravitating toward the farming experts. There have surged forth a contingent of specialized households engaged in all categories and kinds of businesses, and an unprecedented new situation in commodity production is now emerging in the province. Continuing to emancipate our thinking, further liberalizing our economic policies in the countryside, and fully developing commodity production in the countryside are the points of emphasis proposed by Central Document No 1 on countryside work this year. They were also the central themes of the recent provincial meeting of regional, municipal and county party committee secretaries. An economically undeveloped country like ours can by-pass the stage of historical development of the capitalist society and advance directly toward the socialist society; but this stage of developing commodity production should by no means be by-passed. Hence, we must demonstrate the superiority of our socialist system, actively create conditions to promote the development of commodity production, establish a strong material foundation for the development of socialism, and enable the people to become well-to-do as soon as possible. The socialist path is a path of shared wealth; but shared wealth is not the same as all becoming well-to-do simultaneously. A part of our peasants take the lead in becoming well-to-do through their diligence; then the vast ranks of our peasants will be enabled to see the bright future of socialism, and they will follow up one contingent after another in embarking upon the path of becoming well-to-do together.

In developing our commodity production, we must break through the fetters of the habits of small production and the ideas of following the old track without reflection, and explore the path of reform with the spirit of seeking advancement intentionally and blazing a path ahead. We must experiment boldly with all measures and methods that help the people to become well-to-do through diligence and the development of our commodity production; continue to sum up our experiences and actively promote them. As for those old conventions, old ways and old experiences that do not help the people become well-to-do or the

development of our commodity production, we must have the courage to break away from them and to reform them. Once our situation has gained development, following old conventions rigidly and remaining complacent with existing conditions would only cause us to become increasingly passive. Leaders at all levels should, in their practice of developing our commodity production, continue to study their situations, sum up their new experiences, and effect some pioneering work. In the development of our commodity production in the countryside, the most salient problem today is our lack of timely information and unhindered circulation. We must concentrate our forces to solve well such problems as the circulation links and the service links. We must further do a good job in reforming our system of supply and marketing cooperatives, develop our supply and marketing operations as well as our processing, storage, transport, information, and funding services according to the peasants' needs in their production and their livelihood, and gradually turn our supply and marketing cooperatives into comprehensive service centers in the countryside. State-run commerce and transport enterprises must start with providing services and promoting the development of commodity production in our countryside and so improve their work. We must encourage the peasants to enter into the realm of circulation and engage in commodity buying and selling enterprises and transport and service operations, so as to carry out the principles of having the state, the collectives and the individuals all make their efforts to enliven the realm of circulation. Developing the small towns and strengthening market and township building is a major decision encouraging the transfer of countryside laborers and further enhancement of our countryside economy. We must suit our policies to local conditions in formulating our market and township development plans so as to turn our scattered small markets towns into economic and cultural centers in our countryside.

Development of talent is a strategic task for developing our commodity production in the countryside. Commodity competition today is in essence intelligence competition. Therefore, we must emancipate our thinking, broaden our vision, and explore our manpower resources from all sides. We must treat the question of training experts with a strategic viewpoint. We must unswervingly grasp well the reform of our middle and elementary schooling institutions; we must extensively develop professional education, run various specialized schools; we must do all we can to increase our investment in intelligence so as to continue to improve the quality of our cadres, the quality of our workers, and the quality of our peasants. The commodity market is a big school; it requires handlers of commodities to be good at mastering the ever-changing market conditions and at making swift responses, to continue to adopt new techniques, improve selections and varieties, enhance quality, and lower cost; this is incompatible with any conservatism, ossification, laziness or obtuseness. We must let the peasants struggle for their own existence and development in the face of a test by the commodity economy without any restriction, let them learn swimming in the sea of such a commodity market, spur them on in studying science and technology, studying management, and studying cultural knowledge incessantly. This way, large contingents of experts will surge forth.

Guiding commodity production in our four modernizations constitutes a new issue for every leading cadre. Without modern management knowledge, being ignorant of the developing situation and trend of modern science and technology, they would be unable to shoulder the heavy responsibilities the party confer on them.

Therefore, improving as soon as possible the political and cultural qualities of leading cadres at all levels now appears particularly urgent today. After this meeting, the importance and urgency of leading cadres at various levels all studying and mastering modern cultural and scientific knowledge have become profoundly understood; everybody now has the feeling of "learning about one's own shortcomings only after study" and the tendency to "regret that one seems to have started to study so late." Leaders at all levels should take this meeting as their starting point in order to adhere to studying on a long range basis, by studying economics, studying management, studying science, and becoming experts, so as to make their due of contributions to the building of a prosperous and rich Hebei.

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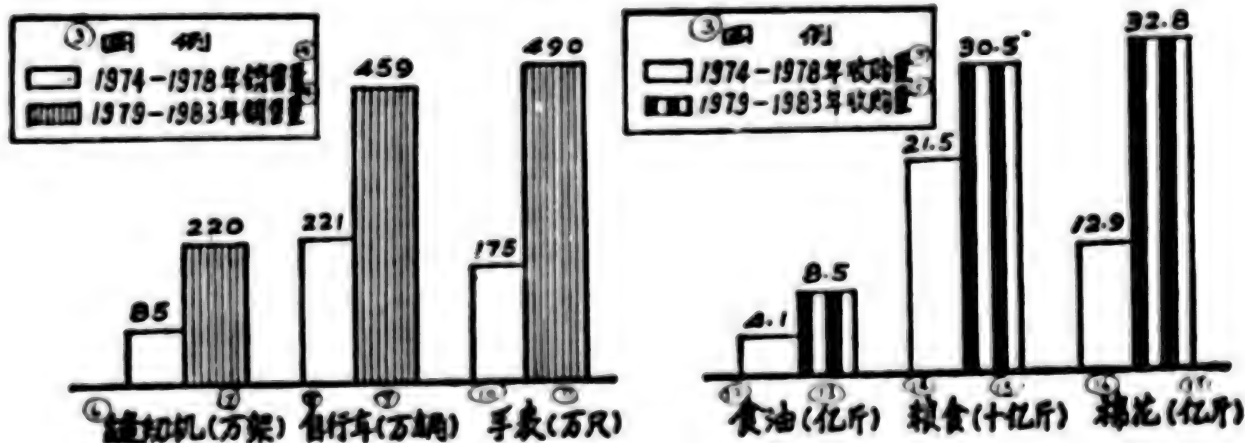
CSO: 4007/116

PROCUREMENT FIGURES FOR PROVINCE GIVEN

Shijiazhuang HEBEI RIBAO in Chinese 19 Feb 84 p 2

[Text] Since the Third Plenary Session of the 11th party central committee, industrial and agricultural production in our province has developed rapidly, the urban as well as rural market has been thriving, and the level of the people's livelihood has conspicuously improved. During the 5 years from 1979 through 1983, the sales volume in the province's commercial departments of sewing machines, bicycles, and watches as well as the volume of their purchase of cotton and edible oil have been increased by 100 percent and more over those of the 5 years prior to the Third Plenary Session of the 11th Party Central Committee (1974-1978); the volume of foodgrain purchases has likewise increased by more than 40 percent. Such a fast speed of development has been rare in the history of our province.

① 我省商业部门三种商品销售量 ② 我省粮棉油收购量



Key:

1. Sales Volume of Three Commodities in the Commercial Departments of Our Province
2. Purchase Volume of Foodgrains, Cotton and Oil in Our Province
3. Legend
4. Sales Volume
5. Purchase Volume
6. Sewing Machines

(key continued on following page)

(Continuation of key from previous page)

7. (10,000)
8. Bicycles
9. (10,000)
10. Watches
11. (10,000)
12. Edible oil
13. (100,000,000 jin)
14. Foodgrains
15. (1 billion jin)

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CSO: 4007/116

CROP SEED LAW PROMULGATED

Editorial Comment

Shijiazhuang HEBEI RIBAO in Chinese 8 Mar 84 p 1

[Commentary by staff commentator: "An Important Development in Agricultural Production"]

[Text] The "Regulations Governing Crop Seeds in Hebei Province" (appearing on page 2 in today's issue of this newspaper) have already been passed by the 5th session of the standing committee of the 6th Provincial People's Congress. This law's formulation will play an active promoting role in propelling our province's agriculture toward modernization and become an important measure in creating a new situation in the agriculture of our province.

Agriculture is the foundation of our national economy. The development of our agriculture depends in the first place on government policies and in the second place on science. Since the 3rd Plenum of the 11th Party Central Committee, our agricultural policies have warmed people's hearts, greatly mobilized the peasants' enthusiasm in production, and made it possible for our agricultural production to score rich harvests successively over the years. But we still need to face the reality that our province has a large population but a small territory, and the traditional mode of agricultural management still occupies a predominant position, with a great potential in agricultural production. In the application and expansion of advanced farming technologies, our position is still very weak; this has affected and prevented our agriculture from making progress by large strides. For the sake of developing our agricultural production, we must resort to the management-intensive approach, adopt good seeds, use our soil rationally, prevent diseases, insects and pests, and follow other measures of the kind in order to raise our per-unit productivity. Practice has proven that the adoption of good seeds, the improving of their quality, the acceleration of the growing and promotion of good seeds will all play a decisive production-increasing role in agriculture. This is a production-increasing measure that requires little money, but takes effect quickly and reaps results abundantly yet will not lead to pollution. According to statistics from typical surveys, the adoption of goods seeds can in general increase production by some 20 percent; in the case of corn, sorghum, paddy rice, vegetables and hybrid seeds of the like, the margin in production increase is even greater, as it can go over 30 percent and in some cases it can even

double and redouble. Therefore, it is easy for the vast ranks of our peasants to accept. We ask that in the near future we must see the necessity of sorting out, for once, the varieties of crops in our province, renovating or replacing them, so as to succeed in eliminating bad seed, adopting good seed, suiting measures to local conditions, making rational arrangements, and thereby thoroughly reverse the phenomenon of low productivity and low quality in our excessively numerous, chaotic, and jumbled crop varieties.

The increasingly perfected agricultural production responsibility system has greatly released our productive forces and promoted the rapid development of our commodity production. At present, our countryside is situated in a historic turning point when it advances from a self-sufficient and semiself-sufficient economy toward the development of large-scale commodity production, and from traditional agriculture toward the development of modern agriculture. In this process of development, the vast ranks of our peasants increasingly crave for good seeds. The "craving for seeds" that is appearing in certain localities today is precisely the concentrated reflection of such a desire. They not only demand new varieties which are of high productivity, fine quality, an appropriate ripening date, strong resistance to adversities, broad adaptiveness, and good composite characteristics, but also demand seeds of high purity and high quality. Agricultural production management departments must adapt to this situation by giving the growing and promotion of good seed a priority position in our work, build bases for producing such seeds, expand state-run stock-seed farms and commune-brigade superior seed farms, develop contractual seed bases and contractual seed specialty households in our countryside, increase our production and extend our supplies of Superior seeds, and gradually satisfy the demands of the peasants for fine species.

In order to conscientiously implement the "Regulations Governing Crop Seeds in Hebei Province" and develop the seed enterprise in our province, we must strengthen the building of our seed organs and ranks and replenish our technical means for modernization. Since the Third Plenum, the exploration of science and technology has become increasingly stressed by people; during the past few years, we have replenished our institutions for scientific research on seeds, established provincial, prefectural (municipal) and county seed companies, and added certain technical equipment. Our scarcity of and technical personnel and testing equipment has undergone some improvement. But this situation is still not fundamentally changed. From now on, we must adopt measures to speed up the training of our seeds specialists, add necessary testing and epidemic-inspecting equipment, improve our testing techniques so as to adapt to the demands in the development of our seeds enterprise. The "Regulations Governing Crop Seeds in Hebei Province" has further clarified the principles and policies for developing seed and also provided clear regulations for controlling our seed resources, for selected growing and approval of new seed, the producing and promotion of superior seed, the testing, epidemic-inspection of seed, seed management and use, etc. At the same time, rewarding methods are prescribed for units and individuals achieving superior results in their seed work, and regulations for punishment are formulated for units and individual violating the "Regulations Governing Crop Seeds in Hebei Province." Overall implementation of the "Regulations Governing Crop Seeds in Hebei Province" is bound to raise to a new level the crop seed development and agricultural production in our province.

All localities in the province must adopt multifarious forms to broadly and penetratingly propagate the "Regulations Governing Crop Seeds in Hebei Province," and demand to have it strictly followed and practically implemented. In the countryside, we must seek to keep every household and every individual well informed on the matter. Leading cadres at all levels and working personnel in the seed system must further set a personal example in the exemplary following and implementation of the "Regulations." In respect to conduct in violation of the "Regulations," seed administrative control departments and judicial organs must "Follow the provisions of the 'Regulations'" to punish them according to the seriousness of their respective situations; they must seek to abide by all laws, to implement all laws strictly, and punish all criminal conduct.

Along with the serious implementation of the "Regulations Governing Crop Seeds in Hebei Province," a new situation is bound to emerge in the agricultural front, especially in seed work, in our province, which would play an increasingly great role in enlivening the agricultural economy in our Hebei Province and in quadrupling our agricultural output.

Regulations Printed

Shijiazhuang HEBEI RIBAO in Chinese 8 Mar 84 p 1

[Document: "Regulations Governing Crop Seeds in Hebei Province (Passed by the 5th Session of the Standing Committee of the 6th People's Congress of Hebei Province on 12 January 1984)"]

[Text] Chapter I General Principles

Article 1. For the sake of strengthening the management and development of agricultural crop seeds (hereafter: "seeds"), improve the quality of seeds, protect the legitimate rights and interests of breeders, producers, managers and users, and promote the improvement of the production and quality of crops, these Regulations are especially formulated on the basis of the Constitution of the People's Republic of China and provisions of the State Council pertaining to crop seeds.

Article 2. These Regulations are applicable to the growing of crop seeds and to units and individuals engaged in the production, promotion, management, and use of seeds as well as other departments concerned with seed work.

Article 3. The fundamental task of seed work is to promote superior seeds and serve agricultural production; to establish superior seeds growing and promoting systems (that is, to line up the cultivation of new types, regional testing, varietal specification, the breeding of superior seeds, processing and discriminating selection, testing and gradation, management, and promotion, and also set up procedures superior strains according to the different requirements of different crops); to protect seed resources, strengthen the scientific study of seeds; to formulate and implement seed standards, and to train the technical personnel and management personnel for seeds work.

Article 4. The provincial, municipal and county agricultural departments shall establish seeds administrative control organs, whose duties are: to implement the seed regulations; to organize the examination and verification of crop seeds; to formulate plans for importing, propagating and promoting seeds; to carry out administrative control over seed enterprises and administrative units; and to mete out punishments to violators of the Regulations on the basis of the seriousness of their respective situations and according to pertinent provisions.

Seed companies at various levels shall be responsible for the production, processing, testing, management, and propagation and promotion of seeds and such tasks.

Article 5. State-managed units or collective units engaged in crop production must adopt superior seeds of fine quality and replace them in a timely manner. Agricultural departments must actively propagate and help the collectives and user households to adopt such superior seeds.

Article 6. The production and supplying of seeds must adhere to the principle of "four [modern-]izations and one supply," gradually attaining regionalization in distribution, specialization in production, mechanization in processing, standardization in respect to quality, and organizing seed supplies with the county as the basic unit. In the case of localities and crop varieties for which conditions for "four [modern-]izations and one supply" are not yet at hand, the farms, peasant households there are permitted to select, propagate, retain and use their own seed, while the state shall provide them with the necessary assistance.

Standards for the quality of seeds are divided into state standards, ministry-promulgated standards, and local standards. Local standards are approved jointly by the provincial seed departments and standards departments.

Article 7. Regarding the tasks of testing and disease, inspection of seeds, seed-testing organs and plant disease-inspection organs at various levels shall have the responsibility to control and to strictly enforce testing and disease-inspection systems.

Article 8. Seeds mentioned in these Regulations mainly include: seeds, fruits, and asexual propagation roots, stalks, and buds of foodgrains, cotton, edible oil plant, vegetables as well as other economic crops and special crops.

Chapter II Resource Management

Article 9. The resources of crop varieties are the precious wealth of our state; the gathering, sorting, preservation, certification, study and utilization of these varietal resources shall be organized and handled uniformly by the provincial Academy of Agricultural and Forestry Sciences.

Article 10. Varietal resources imported from abroad or extra-provincial areas by any unit or individual must go through plant disease inspection and be approved before they are utilized. The names and attendant data on such imported varieties shall also be submitted to agricultural and forestry science and technology departments at the county level and above for registration.

Article 11. In the case of varietal resources provided by our province directly to parties abroad, they should be limited to the "Catalogue of Chinese Resources of Crop Varieties for External Exchanges" promulgated by the state.

Chapter III. Selection, Breeding and Verification

Article 12. Basic theoretical research work on crop varieties shall be the responsibility of the scientific research departments and concerned institutes and schools at the provincial level.

Article 13. The technical personnel and masses of scientific research and production units at all levels are encouraged to select and breed new varieties (strains) of crops.

Article 14. A provincial commission for the verification of new varieties of crops shall be established. This commission shall be organized by the provincial agriculture office, the provincial science and technology commission, and the provincial academy of agricultural and forestry science, together with invited experts, professors, science and technology personnel and concerned administrative cadres. The responsible person in charge of agriculture in the provincial people's government shall serve as chairman of the commission. The duties of the commission are:

1. Drafting procedures and implementation guidelines regarding the reporting, testing and verification of new varieties (strains) as well as opinions regarding the classification of such varieties;
2. Examining and approving the newly bred and imported crop varieties;
3. Directing and organizing the regional experiments and production experiments of crop varieties;
4. Giving names to new varieties.

Article 15. When application is made for a new variety (strain) to participate in provincial regional experiments and verification, the unit or individual must submit the application to the local seed department, and then be recommended level by level to the provincial verification commission.

Article 16. In the case of such new varieties (strains) of crops for which an application for verification is submitted, there must be 2 to 3 years' regional experimentation data and 1 to 2 years' production experimentation data available; there must be a given amount of the original stock seed; their productivity must be 10 percent or more higher than that of the standard seeds of locally promoted major varieties of the same type, or, through statistics and testing, have attained conspicuous standards or achieved one or more superior characteristics in terms of their quality, their growing season, their resistance against adversities, their resistance against insects, and their resistance against diseases.

Article 17. When new varieties are examined and approved, they shall, together with the regions suitable for such varieties and the methods of growing them, be made public by the provincial agriculture division, so as to have superior seeds and superior methods promoted at the same time.

Article 18. New varieties (strains) not yet examined and approved shall not be propagated, publicized in newspaper reports, nor distributed, promoted or grown without authorization.

Chapter IV. Production and Promotion

Article 19. Seed production bases shall be established to carry out specialized production. Such seed production bases shall include state-run stock seed farms, commune-run superior seed farms, agricultural scientific research units, farms, contractual breeding households and rural collective contractual bases of concerned institutes and schools.

Article 20. Healthy superior seed breeding procedures shall be established in order to carry out a generation regeneration system. It shall be the responsibility of the breeding units to provide the initial original stock seeds, so that the stock seed farms may perform high volume propagation of stock seed according to standards for the stock and technical operational regulations for the production of stock seed, and then release them to the commune-run superior seed farms or contractual propagation bases or specialized households to propagate in volume for use in actual production.

Article 21. Seed bases must be relatively concentrated and possess fairly good conditions for production and technical manpower. The seeds they produce must attain the qualitative standards prescribed by the state or by the local authorities; such seeds shall be procured uniformly by the seed departments, no other department or individual shall attempt to seize. Such state-run stock seed farms must adhere to the principle of "primarily breeding stock and superior seeds and actively developing diversification"; of their land, more than 70 percent shall be used for propagating superior seeds. The departments supplying the means of production shall, with respect to chemical fertilizers, insecticides, fuel oil, chemical application equipment and machinery needed by such seeds production bases (including contractual bases), including them in their plans and provide to them on a priority basis.

Article 23. In counties planting more than 100,000 mu of cotton, there shall be established specialized cotton seed companies incorporating superior cotton ginning plants, stock seed farms and superior seeds propagation districts so as to dovetail sowing, management, harvesting, ginning and business administration into a series of systematic operations and gradually achieve uniform supply of seeds by the counties themselves.

Chapter V. Testing and Quarantine

Article 24. Seeds used by the various units and individuals must conform to established qualitative standards. Only after testing and approval by the seeds departments shall they be put on sale. Seeds to be transferred out of a given county must go through plant quarantine; only after approval is

granted shall they be transported elsewhere. In the case of those which lack certificates of such testing and quarantine, the transportation and postal departments shall not undertake to handle their transportation or mailing.

Article 25. In the case of seeds propagated in other provinces, if they have not been quarantined, they shall be proscribed from entering this province. Seeds brought into this province for propagation by other provinces shall undergo quarantine, and disease and pest inoculation experimentation is strictly prohibited.

Seeds to be shipped out of this province for propagation elsewhere must be approved for such purposes by the provincial seed administrative control departments.

Article 26. Concerned institutes, schools and agricultural scientific research units at or above the provincial and prefectural level may carry out disease-and-pest inoculation experiments on their own units' or at specified experimental grounds; they should also do a good job in sealing off, insulting, and immunizing, so as to strictly prevent spreading and pollution. No other unit and individual shall engage in such experiments.

Article 27. Seeds to be used by collective units and farming households themselves shall be subject to the guidance, supervision and inspection by seed departments at the various levels. In the case of those who import seeds blindly and who seek to avoid testing and quarantine, seeds testing and quarantine units in the county shall handle them according to pertinent provisions of these regulations.

Article 28. When crop planting plans are changed because of natural calamities and it is found to be necessary to transfer commodity foodgrains as seeds, approval must be obtained from the people's government at the county or higher levels and a special permit must be issued by the seed testing organs thereof.

Chapter VI. Management

Article 29. The various agricultural crop seeds shall all be managed uniformly by the seed companies. When there is need for other units and individuals to undertake such management, it shall be imperative for the local seed departments to examine, approve, and include such cases, in their plans, and for the industrial and commercial administrative departments to issue the attendant business licenses.

Article 30. Seed importing and exporting trade business shall be uniformly handled by the provincial seed company.

Article 31. The handling of seeds must strictly comply with the state-promulgated criteria for classification, storage and packing, otherwise no sale, transfer or transportation shall be allowed. In transferring and transporting crop seeds, the communications and transportation departments must give priority in making the attendant arrangements, safeguard the accepted cargoes, and refrain from missing the farming season.

Article 32. The price of seeds, under the premise of maintaining basic stability, may be floated. The floating margin, according to the principle of pricing on the basis of quality, shall be uniformly formulated by the province as to protect the legitimate interests of the producers and managers. Mixing inferior species or false presentation, or substituting the inferior for the superior strains shall be prohibited; procuring for resale and driving up prices shall be strictly forbidden.

Selected seeds procured by the seeds departments through negotiations may be sold at negotiated prices.

Article 33. With respect to various specialized seed companies handling superior seeds, they shall practice a minimum-profit policy; banks shall provide them with low-interest loans and their taxes shall be reduced or removed according to related prescriptions of the state.

Article 34. Superior crop seeds procured by the seed departments may be used to offset their procurement quotas; when they supply superior seeds, the foodgrain departments shall, according to need, allocate foodgrain and edible oil substitution quotas. The seed departments shall clear their accounts with the foodgrain departments at fixed intervals.

Article 35. Only those seeds carefully selected and processed and conforming to established standards may be sold as commodity seeds; the rational consumption of select seeds shall be approved by the foodgrain departments.

Article 36. When the province, the municipalities and counties order the propagation of seeds through contract with the managing units, they shall practice the contract system; the side which violates an established contract shall repay the economic losses sustained by the other side.

Chapter VII Seeds For Disaster Relief and Scarce Harvest

Article 37. The provincial, municipal and county level must all store a specified amount of seeds for disaster relief and scarce harvest. The actual amount shall be determined once each year by people's governments of various levels according to the law of nature and needs. The foodgrain and supply and marketing departments are responsible for procuring, storing and managing such seed.

Agricultural production units and farming households should also appropriately store for their own use seed for calamity relief and scarce harvest.

Article 38. In practice, seeds for calamity relief and scarce harvest must be classified according to their varieties and stored in specific warehouses, assigned to special personnel for management, tested and replaced at fixed intervals.

Chapter VIII Rewards Punishments

Article 39. Units and individuals with one of the following inventions, creations or major breakthroughs shall be given rewards by people's governments at the provincial, municipal and county level respectively; those which meet the state's conditions for rewarding scientific and technological inventions shall be handled according to the state's regulations for granting scientific and technological rewards:

1. Those with conspicuous results or important breakthroughs in theoretical research in the seeds science and in breeding techniques;
2. Those with conspicuous results in such tasks as the selection and growing of new varieties (strains) and the gathering and preservation of seeds resources;
3. In the case of those with conspicuous results in terms of acreage (of promoted planting) in the promotion of new varieties and in research on improving superior seed cultivation techniques, where in the county such acreage reaches 30 percent of the area suitable for planting such varieties, in the regions and municipalities, 25 percent, and in the province, 20 percent, and the average per-mu productivity and economic results improve by 15 percent or more.

Article 40. Units or individuals achieving one of the following advanced accomplishments shall, according to the extent of the contributions thus made by them, be given honorary or material rewards by the people's governments of the various levels respectively:

1. Those who have achieved conspicuous results in the verification of varieties, in regional experiments, in exemplary production, in propagation of superior seeds, in purification and rejuvenation, in management and the formulation and implementation of seeds standards and testing, quarantine and like tasks;
2. Those who have achieved conspicuous results in tasks such as the storage, processing and preservation of seeds;
3. Those who have achieved conspicuous results in the training of seed specialists and management experts;
4. Those who implement these Regulations in an exemplary manner and achieve conspicuous results by carrying out resolute struggles against their violators.

Article 41. To those committing one of the following acts, administrative control departments at various levels shall mete out economic punishments or administrative punishments to the principal parties and their instigators respectively according to the seriousness of their situations:

1. Those who propagate and use bad seed, refuse to change even after repeated instructions, and hence cause a reduction in production;

2. Those who sabotage or obstruct the verification and promotion of new varieties (strains);
3. Those who plagiarize other people's results, make false presentations, tell lies in their report on new varieties (strains) in order to gain honor fraudulently;
4. Those who, because of their dereliction, cause serious losses in their tasks of preserving seeds resources.

Article 42. To those committing one of the following acts, according to the seriousness of their situations, local administrative control departments, differentiating between principal parties and their instigators, shall mete out economic punishments or administrative punishments and confiscate their illegal incomes:

1. Those who handle seeds but attempt to substitute the inferior for the superior and mix varieties of lower quality and make false presentations;
2. Those who sell seeds without obtaining certificates of testing and inspection;
3. Those who transport seeds surreptitiously without obtaining certificates of testing and quarantine;
4. Communications and postal departments which fail to handle seeds according to testing and quarantine regulations when accepting them for transportation and mailing.

Article 43. In the case of those who distribute or sell without authorization varieties which have not been verified or whose verification has not been approved and thereby cause losses in production, the units or individuals supplying the seeds shall repay the economic losses thus resulting.

Article 44. Those who commit one of the following acts, both the principal party and the instigator shall be given according to the seriousness of the case, economic punishments or administrative punishments, up to assignment of criminal responsibilities:

1. Those who transport out of the country seeds resources which are prohibited by our province from being so transported.
2. Those who privately distribute or traffic in untested seeds and hence cause serious losses to production;
3. Those who willfully carry out inoculation and disease-pest experiments and hence cause dangerous disease insects or weeds to spread;
4. Those who without authorization use the seeds designated for disaster relief and scarce harvest;

5. Those who steal breeding materials and sabotage the experiments on varieties and the propagation of superior seeds;
6. Those who are found to be derelict in their duties, engage in malpractice for selfish ends, and cause serious losses in the storing, selling, processing, transporting, testing, or quarantine of seeds;
7. Those who encroach upon the testing bases of the agricultural scientific research units or concerned institutes and schools and the land and properties of state-run stock seed farms or seeds departments and thereby seriously affect their normal work and production;
8. Those who through illegal means issue testing and quarantine certificates and thereby enable seeds from disease-ridden areas to enter disease-free areas and cause losses;
9. Those who bring in seeds from outside without first going through the quarantine department and cause a disease-free area to become a disease-ridden area;
10. Those who, by misuse of their office or by other means, cause interference and thereby cause losses.

Article 45. With respect to conduct in violation of these Regulations, any unit or individual has the right to report and to submit complaints before the concerned departments and judicial organs.

Chapter IX Appendices

Article 46. These Regulations shall come into effect the day they are promulgated. Where past provisions of this province which are found to run counter to these Regulations, the latter shall always prevail.

Article 47. Transfer of ownership of results in seeds science and technology within the province shall be implemented according to the "Experimental Regulations for Transfer of Ownership of Technology with Compensation in Hebei Province" promulgated by the government.

Article 48. The provincial agriculture division may formulate rules of implementation on the basis of these Regulations and report to the provincial people's government for approval before putting them into practice.

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CSO: 4007/116

GRAIN SUPPLY FREEZE LIFTED

Harbin HEILONGJIANG RIBAO in Chinese 22 Feb 84 p 1

[Report: "Supplying of Frozen Grain Surplus Begins Next Month: Whatever Foodgrains Are Stored Will Be Supplied: That Which Is Not Sold Temporarily May Continue To Be Stored; Policy of Allowing Saved Surplus To Go to the Savers Will Not Change; Stored Grain Surplus May Be Exchanged in the Purchase of Sunflower Oil"]

[Text] The provincial foodgrains bureau has circulated the following notice: the freeze on the supplying of foodgrains in storage imposed on residents in the cities and townships in our province is to be lifted beginning 1 March this year.

This notice was announced by a responsible person of the provincial foodgrains bureau at a press conference held today. The notice says, in 1983 our foodgrains production achieved a rich harvest, and the amounts procured exceeded the highest level in our history; this served to provide the material basis for lifting the freeze on supplying of such stored foodgrains. Beginning 1 March 1984, the regulation on freezing the supplying of foodgrains in storage before October 1982 to residents of our cities and townships is hereby lifted.

After this regulation is lifted, whatever foodgrains are in storage according to a resident's foodgrain coupon would be supplied; foodgrains which are not sold for the time being may continue to be stored with the foodgrain coupon; the policy of allowing saved foodgrains to be kept by the saver will not change; when request is made to transfer the foodgrain coupon record redemption will follow regulations in effect in the various localities prior to the freeze. In order to make it more convenient for residents to adjust their life, 10 jin of frozen foodgrain surplus may be used in exchange to purchase 1 jin of sunflower oil at the fixed price.

The responsible person of the provincial foodgrains bureau pointed out that the freeze imposed on residents' foodgrain supplies was a measure adopted by our province after the 2 consecutive years of calamities in agriculture and a reduction in production in 1981 and 1982. The implementation of this measure helped at the time to keep our foodgrain supplies from being sold out or interrupted, to stabilize the market, and

to assure various circles of having their demands for foodgrains met. This lifting of the freeze on the foodgrain supplies reflects the emergence of a fine situation in agricultural production in our province. During the more recent period, the provincial foodgrains departments have done a great deal of preparatory work; our granaries are full at present and can well assure deliveries.

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CSO: 4007/113

PAPER-TUBE CULTIVATION OF SUGARBEETS PROMOTED

Harbin HEILONGJIANG RIBW in Chinese 10 Mar 84 p 1

[Report: "Promoting Technical Revolution in Beet Production: Our Province Expands Paper-Tube Cultivation Method in Large Areas — Practice Proves That Per-mu Productivity Can Be Raised by 200-300 Percent, with Sugar Content of Product Enhanced and Economic Results Improved"]

[Text] This year our province has begun to promote the new paper-tube technique of cultivating beets. A plan to promote the method in an area of 35,000 mu has already been implemented by the end of February in 19 sugar mills and 2 institutes of scientific research in agriculture. The size of the area is 14 times that of last year.

These mills and institutes have all established central experiments using this new method in their own planting areas. With respect to the farming households they are adopting supportive measures by supplying gratis the small quantity of paper tubes, seeds, chemical fertilizers, and insecticides used in their experiments; the paper tubes used by the test households are provided at half price or under subsidies; cultivator tools are purchased with loans from the sugar mills, whereas the 40-odd farm workers who have learned the method and returned from Japan are serving as technical directors.

This paper-tube cultivation method is a technical revolution in the production of beets. Countries in the international arena which adopt this technique have all had their per-unit productivity doubled and redoubled, and the sugar content of the products is also enhanced. After Japan popularized this technique last year, the per-mu production rose to 3.3 tons.

On 28 February, this reporter interviewed Tang Shuhong [0781 6615 1347], ranking farming technician of the provincial sugar industrial company. He has been stationed at the rural test site in Zhaodong for 3 years. Said he, this method, after 3 years of experiment and testing, has shown many superior characteristics such as early budding, longer period of growth, and an increase in cumulative temperature compared to direct sowing in the fields; it is altogether suitable to promotion in our province. Baihe

production brigade in Xiangyang commune, Zhaodong County, and Baifa production brigade in Lianfa commune, Hailun County, last year proceeded to carry out experiments of application; their average per-mu yield amounted to more than 2 tons, and in some plots it exceeded 3 tons; thus this per-unit productivity was enhanced by 2 to 3 times, and the sugar content of the products was also enhanced by 1 or so. Each mu also produced 400 kilograms of additional stalks and leaves as feed, with an average increase in income of more than 50 yuan. Said Tang Shuhong, if the whole province should popularize this new technique, more beets would be produced and less land would be occupied; this is an effective measure for realizing productivity, high sugar content, and great economic results in our beet production.

9255

TSO: 4007/113

INTERCROPPING, MULTIPLE PLANTING RESULTS REPORTED OUTSTANDING

Yinchuan NINGXIA RIEM: in Chinese 7 Feb 84 p 1

[Report: "Outstanding Results from Drawing Water from Huang He To Irrigate the Region, Promoting New Technique of Intercropping, Multiple Planting Area for Intercropping Amounts to More than 270,000 Mu; Area for Wheat-Corn Intercropping Alone Amounts to More than 210,000 Mu, with a Yield of More than 210 Million Jin of Foodgrains"]

[Text] During the past few years, our region has been drawing water from the Huang He to irrigate the region and energetically promoting the new method of intercropping, multiple planting and has hence increased the rate of our land utilization, enabling our agriculture to advance from uniform production toward intensive production and from self-sufficient economy toward commodity economy and thereby enhancing our economic results. Last year the area for the new method of intercropping, multiple planting in the irrigated region developed to more than 270,000 mu; the area for wheat-corn intercropping alone amounted to more than 217,000 mu, producing more than 217 million jin of foodgrains.

The traditional intercropping, multiple planting method in the Huang He irrigated region used to be mainly employed by intercrop soybeans and yellow turnips in the wheat field and double crop broom corn millet after wheat was harvested.

While these approaches played a certain role in increasing foodgrain productivity, the per-mu output of broom corn millet in general amounted merely to around 150 jin and that of the intercropped soybeans also amounted to merely 150-200 jin. In recent years, our agricultural scientific and technical personnel have been actively experimenting and energetically promoting the new method of intercropping, multiple planting, advancing from one harvest per year to two, and three harvests per year and developing from food crops to oil-bearing crops, sugar crops, vegetables and economic crops. Certain localities have also experimented and promoted the practice of one crop harvest and then one fertilizer operation, two crops harvests and then one fertilizing operation, or three crop harvests and then one fertilizing operation. The farming technology station of Zhongwei county carried out the experiment of three sowing operations and three harvests in

Molou production brigade in 1977, resulting in average per-mu wheat production of 550 jin, per-mu corn production of 755.5 jin, per-mu soybean production of 107.5 jin; with all the three crops calculated together, the output amounted to 1,413 jin, representing a large margin of increase over the production of broom corn millet after the harvesting of wheat. During the past few years, this intercropping method has been rapidly promoted through counties and municipalities like Zhongwei, Qingtongxia, Lingwu, and Wuzhong; last year the sowing acreage already reached more than 210,000 mu; in the most rapidly developing Zhongwei county, the intercropping area using this method already made up 47 percent of the total wheat area. Units like the Zhongning county farming technology station, Wuzhong municipal institute of agricultural science and the autonomous region college of agricultural science have at various points successfully experimented the planting mode of transferred planting after wheat harvest and the intercropping of perillaseed with wheat; this opened up a new path for the solution of the contradictions of too many people for too little land and of foodgrains and oil-bearing crops struggling for the same land. Last year, the area for intercropping in wheat fields and transplanting of perillaseed in the Yinnan district amounted to more than 63,000 mu; the production of wheat basically suffered no decrease, whereas the per-mu production of perilliaseed amounted to around 150 jin, and 200 jin in the case of a higher yield; this served to solve the peasants' oil consumption problem in these localities. During the past two years, the area for intercropping beets in wheat fields and multiple planting of autumn vegetables has also continued to expand. In 1983, the whole irrigated region intercropped in wheat fields more than 16,000 mu and multiple planting of more than 73,000 mu of autumn vegetables. This satisfied the needs of the sugar industry and our urban and rural people's livelihood on the one hand and increased the peasants' income on the other hand. After promoting the cultivation methods of crop-fertilization intercropping and multiple planting, certain localities have been playing a fine role in enhancing our land power and cultivating fertilizers and improving our soil.

At present, farming technicians in various localities are together with the commune members summing up their experiences, promoting intercropping, multiple planting by suiting the practices to local circumstances, and steadily carrying out reform in our cultivation system.

9255

CSO: 4007/113

REGION'S NET INCOME DOUBLED IN 5 YEARS

Yinchuan NINGXIA RIBAO in Chinese 10 Mar 84 p 1

[Report: "The Third Plenary Session of the 11th Party Central Committee Has Blazed a Path for Treating Poverty and Achieving Wealth: Net Income of Peasants in Our Region Has Doubled in 5 Years — Still 5 Percent Lower Than National Level, 3 Percent of Farming Households in the Countryside Still Earn Less Than 100 Yuan"]

[Text] Since the Third Plenary Session of the 11th Party Central Committee, the income of peasants in our region has been increasing year after year. According to sample surveys of the income and expenditure of 480 peasant households by the statistics bureau of the autonomous region, in 1983 the average net income of everybody was 288 yuan, more than double the 116 yuan of 1982.

Along with the institutional restructuring of our rural economy and the general implementation of the family contractual responsibility system, there has emerged in the countryside a large contingent of specialized households, key households, and economic combinations; diversification and commodity production have been developing vigorously; the peasants' income structure has undergone a new change, with the income from family business operations becoming the bulk of the peasants' income.

The change in the peasants' income structure is also reflected in the overall increase in various categories of their income; various types of districts have all increased their harvests, and the hilly districts have increased such harvests at a speed even greater than the plain districts did. Last year, water from the Yellow River was drawn in to irrigate the districts, resulting in an average net income of 350 yuan, an increase of 11.4 percent over that of 1982. In the hilly districts of the south, the average net income was 214 yuan, an increase of 47.6 percent over that of 1982. This has been rare in the history of our region.

Another characteristic of the structural change in the peasants' income was that the increased income was in both foodgrains and money, with the speed of increase in currency faster than that in foodgrains. Last year, the average foodgrain production per person was 980 jin, an increase of 16.8 percent over that of the preceding year; the average income in cash per

person (not including income from savings and loans) amounted to 204 yuan, an increase of 28.3 percent over that of the preceding year. The ratio of the peasants' cash income in their net income also increased over that of last year.

Even so, the average net income of peasants in our region was still 5 percent lower than the national level; in the countryside there are still 3 percent of all farming households with an average net income of less than 100 yuan. In treating their poverty and achieving wealth, the peasants still must pay a very great price in efforts.

9255

CSO: 4006/113

TEN COMMODITY PRODUCTION BASES ESTABLISHED

Yinchuan NINGXIA RIBAO in Chinese 14 Mar 84 p 2

[Report: "Implementing the Spirit of Central Document No 1 and Energetically Developing Commodity Production: Our Agricultural and Land Reclaiming System Speeds Construction of Ten Commodity Production Bases"]

[Text] Keeping in line with reality and conscientiously implementing the spirit of Central Document No 1 of this year, the agricultural and land reclamation bureau of the autonomous region has actively helped the state-run farms to establish production bases according to different characteristics and propel these state-run farms in their development toward specialization, socialization, and commodity-orientation.

When the agricultural and land reclamation bureau organized cadres and workers to discuss Central Document No 1, everybody was of the opinion that the points of emphasis in our countryside work determined by the document and also points of emphasis in the work of the state-run farms. Developing commodity production can enable the state-run farms to play a greater role in the building of socialism. After serious analysis, participants held that among state-run farms in the region, 10 commodity production bases can be established.

(1) Commodity grains base: centered around the Lingwu, Lianhu, and Balanghu farms, to plant 260,000 mu of grains and beans and achieve a total output of 160 million jin this year, providing 60 million jin of commodity grains. (2) Commodity oils base; centered around the farms of Changshantou, to plant 50,000 mu of oil bearing crops and achieve a total output of 10 million jin, turnover to the state of 7 million jin. (3) Citron base: centered around the farms of Nanliang, to plant 10,000 mu of citron and achieve a total output of 1 million jin by 1988. (4) Grape base: Yuchuan Ying farm has already planted 5,500 mu; when all brought to fruition in 1985, a year's yield of 4,000 tons of red and white processed grape wine. (5) Watermelon base: centered around farms like Nuanchuan, to plant 15,000 mu of watermelon this year and achieve a total output of more than 50 million jin, aiming at high productivity, high quality, and early arrival at the market. (6) Leanmeat pigs base: the four farms of Lingwu, Lianhu, Balanghu and Muanchuan to undertake key development. (7) Milk base: Pingjibao milkcow farm has already raised more than 1,000 milkcows with a yearly

production of 5 million jin of milk. Another 200-head milkcow farm to be built at Lingwu farm this year. (8) Tanyang-sheep base: Nuanchuan farm has more than 70,000 mu of natural pastureland with more than 2,000 breeding sheep being raised: to further strengthen its development in order to provide fine breeding sheep for this and other provinces. (9) Fishery base: centered around the farms of Qianjin and Xihu: expand the water area for fish-breeding to more than 30,000 mu and strive to produce 1 million jin of fresh fish in 1985. (10) Poultry and egg base: the Helanshan agriculture and cattle-raising farm has imported fine species of chickens from abroad and at present already reached a scale of producing 1 million baby chickens, 1 million eggs for hatching purpose, and 150,000 jin of commodity eggs yearly; it will also produce 20,000 meat chickens for the market in 1985.

In order to speed up the building of commodity bases and improve the rate of commodity production, the following measures have been adopted: (1) support is provided in terms of capital. On the basis of its financial resources, the bureau this year has taken out 300,000 yuan to strategically support crop planting, animal breeding, and agricultural and sideline products processing industries and energetically develop exploratory production. (2) Develop scientific research and technical guidance. Scientific research is launched around production, including 20 issues for experiment and research such as "experiments in crossing-breeding of leanmeat-type pigs," "experiments in rich harvest in safflower and soybean through large area cultivation," "planting of high-productivity and high sugar content beets"; 15 terms of a production technology training class are also planned. (3) Do a good job in the supplying of materials so as to assure the needs of the production units in chemical fertilizers. Insecticides, seeds, plastic film as well as breeding livestock, breeding poultry and feedstocks. At present, the agricultural and land reclamation system has already established 9 assorted feed processing plants and also transferred over 110 milkcows for the Lingwu farm. (4) Tap the potential of land. Under the premise of assuring the production of foodgrains, this and next year will be devoted to improving 50,000 mu of wasteland, saline land, low marshland, and white arid land. (5) Develop specialized households and test farms for staff and worker families.

9255

CSO: 4007/113

WIDESPREAD DROUGHT REPORTED

Jinan DAZHONG RIBAO in Chinese 3 Mar 84 p 1

[Report: "Our Province Is Suffering Widespread Drought, Drought Resistance Tasks Are Urgent -- Ma Lin, Deputy Commander of the Provincial Drought-resistance and Flood-prevention Command Headquarters and Chief of Irrigation Division Answers Reporter's Questions"]

[Text] Recently, Ma Lin [7456 --?--], deputy commander of the provincial draught-resistance and flood-prevention command headquarters and chief of the provincial irrigation division, answered several questions asked by staff reporters on draught resistance operations in our province:

What is the draught situation in our province today? What are our advantageous conditions for fighting for draught?

Last winter and this spring, our province has had very little rain and snow; from November last year up to the present, the average rainfall and snowfall during these 4 months has been 82 percent less than the corresponding period last year; except the few counties in eastern Yantai, where the rainfall and snowfall were rather considerable, they amounted to merely 3 to 7 mm in gneral in all other regions and municipalities. In addition, the temperature before last winter had been higher than that in normal years; the loss of moisture in the soil was rather serious. Where wheat fields did not receive winter irrigation, the rate of moisture in the soil there generally fell to less than 12 percent. At present, draught-inflicted areas in the province have already amounted to more than 38 million mu, of which gravely inflicted areas amount to more than 8 million mu. Along with the turn for warmer days in our weather hereafter, together with the rise in temperature, these draught-inflicted areas will increase sharply. In some hilly areas, because ground preparation at the time wheat was planted was not well done, and there has not been any rain or snow during these past four months either, all the wheat seedlings have already turned withered and yellow, or even died because of draught.

While this draught situation in our province is rather serious today, there are nevertheless many advantageous conditions for fighting draught this year. After the Central Document No 1 was promulgated, the land contracting period has been extended to 15 years and more; the peasants' enthusiasm

In running small size irrigation facilities has thus become further enhanced. The province now has more than 5,500 reservoirs, more than 30,000 pools, more than 20,000 pumping stations, 4-500,000 machine-dug wells, more than 100,000 horsepower of irrigation equipment, and large numbers of irrigation works for drawing water from the Huang He, from the small rivers and from lakes which can provide nearly 10 billion cubic meters of irrigation capacity for our anti-draught operations. The vast ranks of our cadres and masses have accumulated rich draught fighting experiences. The new leading groups after institutional reform are all paying greater attention to draught resistance and grasp the task more closely. If we take full advantage of these beneficial conditions, draught resistance can be very well managed.

What measures need to be adopted in order to do a good job in our anti-draught work this year?

One is to strengthen the uniform management and utilization of our existing irrigation facilities. We should adopt such forms as irrigation specialized fields, key households, combinations, or irrigation specialized teams or specialized organizations undertaking contractual work so as to carry out uniform management over our irrigation works and, according to the seasons and the peasants' demands, proceed to unify our irrigation operations. Commune leaders must do a good job in managing the implementation of the contractual responsibility system in such uniform management of our irrigation facilities and help the contracting individuals or organizations to arrange irrigation operations well. They must never practice laissez-faire and fold their hands and allow the irrigation works built by the state and the collectives to suffer ruin.

Two is to practice planned water use, using water scientifically and saving water sparingly. During anti-draught operations our water resources are of course limited; we must look at the climate, look at the region, and look at the crop in order to apply water at the key moment of crop growth. Various irrigation districts must follow the provincial government's regulations and take up the task of collecting water charges. They must mobilize the masses, make use of local materials, amend and build water channels, or substitute pipes for such channels, and endeavor to reduce channel-leakage. They must also adapt such watering techniques as watering only shorter reaches in long beds and only narrower reaches in wide beds.

Three is to fully develop our strong point of being able to draw water from the Huang He. The Huang He is an important water resource for fighting draught in our provinces; we must get started early in areas along the river to do a good job in dredging and repair work for the water-drawing system; we must do enough work in drawing water to fill up the streams and pools to store water supplies, or in irrigating the spring paddies to go ahead to build up moisture and avoid contest for water during the peak of spring irrigation. We should also continue to build works to dispatch water toward the remote, high water-lacking places and endeavor to enlarge such draught-resisting irrigation areas.

Four is to earnestly strengthen our leadership over anti-draught work. We must educate the cadres and masses to recognize the importance of fighting draught, overcome the lethargic and difficulty-avoiding spirit and overcome this draught.

ANTIDROUGHT MEASURES STRESSED

Jinan DAZHONG RIBAO in Chinese 13 Mar 84 p 1

[Commentary by staff commentator: "Recognize Clearly Advantageous Conditions To Do a Good Job Fighting Drought and Protecting Two Crops"]

[Text] At present, the draught-inflicted areas in our province have already amounted to more than 38 million mu, and of these gravely inflicted areas amount to more than 8 million mu. According to weather forecasts, from March to May rainfall in various locations will still be more scarce than in ordinary years. Hence, fight draught in order to protect our wheat and fight draught in order to protect our spring sowing have become very urgent tasks.

The countryside work conference recently convened by the provincial party committee clearly proposed the requirement of "promoting three changes, seeking to achieve three adaptations, and realizing three breakthroughs in our economic work. And in order to realize this requirement thus proposed by the provincial party committee, it is necessary first of all to grasp well our spring production centered around fighting draught and the two protections. We should see that advantageous conditions are quite numerous this year for this. After the Central Document No 1 was conveyed to us and implemented, the vast ranks of our peasants felt like they had just taken a dose of "longterm Reassurance", as their enthusiasm in contracting land, increasing production, and running irrigation facilities became further enhanced. In the process of stabilizing and perfecting our agricultural production responsibility system, our rural cadres and masses have accumulated many fine experiences in fighting and also broached some new measures. Our materials for agricultural use in the spring and for fighting draught, such as chemical fertilizers, diesel oil, etc., are more abundant than in the corresponding period last year. Recently, the provincial government also decided that, as electricity for agricultural use is provided on the normal basis, another portion of electricity for fighting draught is going to be provided in the months of March and April. So long as we can fully make use of all this, our tasks of fighting draught and the two protections can be done very well indeed.

At present, the key question is to strengthen leadership over the tasks of fighting draught and the two protections. Party committees and governments

at the various levels must overcome their lethargic thinking and handle anti-draught measures as central tasks in our current rural work accordingly. We must extensively mobilize the masses, quickly organize the various trades and professions to go all out in support of this struggle. All localities should encourage the peasants to rely the strength of the collectives, joint households as well as individuals to continue to build irrigation works of medium and small size which require less investment, yield quick results, and reap great benefits. They must both tap water sources energetically, and pay attention to saving water, resolutely overcome the mistake of "calculating no cost when it comes to fighting draught," and improve the management of the irrigation facilities, reduce water use, and do their best to improve economic results. During the draught resistance operations, efforts must also be made to propagate paying attention to the overall situation, perceiving comprehensive considerations, and the spirit of unity and mutual assistance in order to support the difficulty-ridden production brigades and households so as to get spring sowing well done together. So long as we resort to total mobilization, join efforts together, try our best to develop resources and restrict expenses, a new level in our efforts for fighting draught and the two objectives is bound to be achieved, and a new victory is bound to be won.

ROLE OF COMMODITY GRAIN HOUSEHOLDS EXAMINED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY] in Chinese No 11, 1983 pp 11-13

[Article by Zhao Mingzhu [6392 0730 2691], Shanxi Provincial People's Government Office, and Zhang Zhiyu [1728 0037 1946], Shanxi Provincial Rural Policy Research Office: "The Important Role Played by Households Specializing in Grain in Promoting Rural Economic Prosperity"]

[Text] Since the 3d Plenum of the 11th CPC Central Committee, when the family-based production contract responsibility system was implemented throughout Shanxi's vast countryside, many specialized and key households have emerged. Among these, households specializing in commodity grain production are particularly significant, and their emergence has served further to invigorate the rural economy, bring about rural prosperity and promote the transformation of agriculture from self-sufficiency or semi-self-sufficiency to specialized commodity production. According to incomplete statistics, in 1982 there were some 96,200 commodity grain households in Shanxi, which comprised 1.9 percent of the total number of agricultural households in the province; by the end of July 1983, the number of commodity grain households increased to more than 324,000, or 6.4 percent of the provincial total, a more than twofold increase over the previous year. Such households have three features.

I. Commodity Grain Households Have a High Marketing Rate.

In 1982, commodity grain households comprised only 1.9 percent of the total number of agricultural households in Shanxi, yet these specialized households' commodity grain sales to the state equaled 48 percent of the entire province's grain procurement quota. In Yanbei Prefecture, commodity grain households market 75.7 percent of their crop, a rate that is 22.7 percent higher than the prefectural average. Shouyang County has 4,351 commodity grain households, which comprise 8.06 percent of the total number of agricultural households in the county. These specialized households produced 11.115 million jin of grain, or 48.3 percent of the county total; sold 5.51 million jin, or 65 percent of the county total; and had a marketing rate of 49 percent, which is 36.77 percent higher than the county average. Changhuang Brigade of Daxiaobao Commune in Xiaoyi County has eight commodity grain households, which comprise only 3.38 percent of the total number of households in the brigade. In 1982, these specialized households farmed 327.8 mu of land, or 11.93 percent of the brigade total; produced 137,060 jin of grain, or 18.59

percent of the brigade total; and sold 81,988 jin of commodity grain, which equaled 40.9 percent of the entire brigade's contract sales quota of 200,000 jin and exceeded the total quota of 15,348 jin they contracted by 66,640 jin or 4.34 times. Their marketing rate reached 59.8 percent, 29.2 percent higher than the brigade average of 30.6 percent. Such households sold 1,108 jin of grain per capita, 897 jin more than the brigade average of 211, and they sold 2,484 jin per laborer, 1,963 jin or 3.76 times more than the brigade average of 521 jin. In 1983, commodity grain households comprise only 6.4 percent of the total number of agricultural households in Shanxi. Yet the grain households' summer grain sales equaled more than 50 percent of the province's total contract procurement quota, and these same households marketed 58.9 percent of their crop. In Yuncheng Prefecture, grain households comprise 6.8 percent of the total number of agricultural households, yet during the summer these specialized households had grain sales equaling 56.9 percent of the prefectural total and marketed 72 percent of their crop.

Commodity Grain Household System Promotes a Social Division of Labor and Socialization of Production.

Development of grain households in Shuimo Brigade in Ying County has freed more than 10,000 man-days, or half of the brigade's total labor force, for employment in sideline production. Hengshan Brigade of Ying County has implemented household-contract and specialized, division-of-labor production responsibility systems and, in accordance with each family's primary labor skills and abilities, has established households specialized in commodity grain and other types of production. The brigade has 1,200 commodity grain households, which comprise 31.8 percent of the total number of households in the village, managing 8,264 mu, or 66.9 percent, of the brigade's total land; 272 households, or 27 percent, specializing in sideline production; 108 households specializing in industry, forestry, herding, and other sideline occupations; 164 self-operating households; and 39 households specializing in water conservation, agricultural mechanization, science and technology (S & T), transport, supply and marketing, processing and the like. In Ying County, commodity grain households receive vigorous support and assistance from other specialized households in all activities among the various links of the grain production process. Since grain households have found it almost completely difficult to shoulder these activities alone, the new system promotes the development of grain households. Meanwhile, the grain households have developed other specialized households with grain so that the latter can concentrate on their more productive activities, thereby engineering profound changes in the county's economic structure and accelerating the development of the county economy. With the growth of commodity grain households, the sideline industry, transport and commercial activities, including in various services closely related to grain production, have also rapidly developed. According to statistics for the first half of 1984, there are more than 1,450,000 specialized and sideline households in Shanxi, comprising 29.4 percent of the total number of agricultural households in the province. This represents an increase of nearly 100,000, or 74.9 percent, over the 860,000 households at the beginning of the year. Of these households, more than 420,000 are engaged in sideline production, 100,000 in herding, 40,000 in processing, 43,000 in the extractive

industries, 118,700 in water transport and 186,000 in commerce and the side-line industries. In addition, 188,000 households have contracted to undertake reclamation of small river valleys. While maintaining stable growth in grain output, the development of grain households has enabled us to display our strengths, avoid our weaknesses and exploit our advantages. Commune and brigade enterprises have increased from 875 in 1978 to 968 in 1981, and employment therein has increased from 4,211 in 1978 to 10,166 in 1981, comprising 26 percent of the total county labor force [as published]. In 1978, the county's commune and brigade industry and sideline industry earned 1,079,000 yuan, totaling 55.4 percent of all income earned at these two levels. By 1981, these earnings rose to 4,309,500 yuan, or 60.3 percent of the total, nearly a threefold increase over 1978. In this 4-year period, commune and brigade industrial and sideline income increased at an average annual rate of 41 percent.

III. The Commodity Grain Household System Promotes the Spread of Agricultural S & T and Improves Economic Results in Grain Production.

The vast majority of China's commodity grain households are key S & T households. Through their own experience, grain households have benefited from science and are deeply aware of the fact that "when given responsibility, the household will never become rich if it does not understand science." Grain households already recognize that pure dependence on traditional agricultural technology cannot meet current needs, that production cannot steadily be increased and that better economic results cannot be achieved unless modern agricultural S & T are employed and integrated with traditional technology and unless scientific cultivation and management are implemented. Consequently, these households diligently study S & T, sign contracts on their own initiative with scientific research departments and agricultural technicians, rapidly master modern science through their productive work, apply their own scientific experience and model experiments in raising production, vigorously help the peasant masses around them to study and employ science, diligently integrate China's meticulous traditional farming methods and modern agricultural S & T and thus realize and fully exploit the potential productive range of S & T. In 1982, commodity grain households in Yulin Prefecture yielded yields that were 31.5 percent higher than the prefecture average, their yields were more than doubling the average. On the land he contracted to farm, grain specialist Wang Sheshi (3740 1031 0089) of Lamashuang Brigade in Ying County steadily improved soil conditions, changed his cropping system, stressed organic and chemical fertilizer, carried out scientific application of fertilizer, selected improved seed varieties, improved cultivation with modern S & T and thus steadily increased his grain output. In 1981, he produced 10,700 jin of grain on 40 mu of land, obtained an average yield of 265 jin per mu, sold 20,000 jin of grain and earned nearly 1,000 yuan per person for his household. In 1982, he raised 33,000 jin of grain on 40 mu, an average of 825 jin per mu, sold 26,000 jin and earned 1,119 yuan per person for his household. His 1982 total income and side-growth exceeded that of the average peasant household of his locality. Grain specialist Wang Yifu (3736 1031 1481) of Xianghe Brigade in Yulin County had long experimented with paddy rice varieties and in 1981 produced a variety that is lodging-resistant, is suited to close planting and has a short growing season. He produced 17,111 jin of rice on 40 mu.

average of 927 jin per mu, and earned 11,450 yuan. He also provided the local masses with 65,000 jin of improved seeds.

For many years, Shanxi has not been self-sufficient in grain production and in most years is dependent on grain deliveries from the state. According to statistics, during the 26 years between 1953 and 1978 the province showed small net grain exports in only 5 years and in 21 years was a net grain importer, averaging about 1 billion jin per annum. Shanxi's grain production responsibilities remain very formidable and must not be overlooked in the slightest, especially now when the province is initiating the development of coal and heavy chemical industry bases that will increase the burden on agricultural production. With the growth in the urban industrial and mining populations, the tasks of increasing food, primarily grain, supplies and of emphasizing grain production will become crucial. Grain commodity households, as described above, possess greater labor productivity and marketing rates. If we adhere to the policy of "never slackening efforts in grain production and always vigorously developing diversified farming," undertake comprehensive planning and place a continuous emphasis on commodity grain households, we can more effectively ensure supplies of the commodity grain needed by the national economy. In light of present conditions, we must be attentive to the following work in order to maintain the healthy development of commodity grain households.

1. We must satisfy the grain households' demand for land. Land is a prerequisite for the development of commodity grain households. With the growth of diversified farming and the emergence of commodity grain households, it is essential that we tailor measures to suit local conditions, cautiously and rationally readjust land in accordance with actual conditions and appropriately satisfy the grain households' demand for land. Local areas have had many types of experiences and have developed many ways to readjust cultivated land, but most of these methods involve land transfers from diversified farming households.

Datong and Ying Counties have adhered to the principles of voluntary transfers and mutual benefit and adopted contractual arrangements between collectives and households relinquishing land. Under this system, the collective provides grain rations at parity prices for such households from its retained reserves and guarantees the amount, quality and variety of such grain provisions. These measures have reassured diversified farming households, enabled these households to concentrate on their specialties and satisfied the grain households' demand for land. In order to meet this demand, Pingyao and other counties, while guarding against soil erosion, have incorporated management of the small river valleys and have contracted remote, alkaline, flood and abandoned lands and barren slopes out to grain households. These methods have achieved good results. Pingyao has 40,000 mu of saline-alkaline floodland, which comprises 5 percent of the county's cultivated land area and which no one originally contracted to farm. Subsequently, the county decided to contract this land out, permit female inheritance thereof; require no grain sales, tax payments or withholdings on the production therefrom; and give contractors thereof preference in obtaining loans. This policy has partially met the grain households' demand for land and aroused the peasants' enthusiasm for accelerating the improvement of saline-alkaline floodlands.

Pingyao's Wangzhi Brigade contracted 120 mu of such land out to grain households, and within a very short time 12,900 meters of alkaline-flushing ditches were completed, other measures were adopted and the first steps were made to improve saline-alkaline soil.

2. We must emphasize intensive farming, scientific cultivation and steadily increasing yields, for these areas possess great potential. Yao Wanglin [1202 2489 2651] of Nanda Brigade, Chengguan Commune, Ruicheng County, contracted to farm 4 mu of wetland. He devoted this land entirely to grain, implemented scientific farming, interplanted corn with wheat and thus received two crops a year. In 1982, he produced 9,000 jin and had an average yield of 2,285 jin per mu, which was more than twice that of his neighbors; his household produced some 2,200 jin per person; and his entire family sold 5,000 jin of commodity grain, an average of 1,250 jin per person, and marketed 55.5 percent of their crop. This example provides an excellent illustration: Although land is limited, the potential of S & T is infinite. Even with a shortage of land, we can obtain more grain through scientific and intensive farming, and commodity grain households can be developed in areas around cities and towns.

3. We must earnestly support the development of commodity grain households and diligently resolve the problems they encounter. Grain is a state monopoly and is the most carefully planned commodity. From planting to tending and from harvest to sales, production, supply and marketing are closely interlinked. Grain supply is affected by natural factors and conditioned by the circulation of social commodities, and problems that develop at any link in the process may dampen the enthusiasm and influence the production of grain households. In order to maintain the healthy development of grain households, all localities across the province have basically granted such households preferential treatment in four areas. (1) Grain households have prior claim to supplies of the means of production. (2) Priority is given to resolving the problem of funds, banks and credit cooperatives have established special grain household loans and grain departments make down payments in advance in accordance with contracts. (3) Grain households have preference in technical services, they are encouraged to sign contracts linking technology to production with agricultural technicians, agricultural and S & T departments run technical training classes for grain households and departments in charge of conservation and agricultural mechanization place priority on resolving the grain households' water supply and equipment problems. (4) Priority is placed on resolving grain sales problems, including grain inspection, bagging materials, transport and the settling of accounts at the household level. These measures have achieved excellent results in the improvement of the production responsibility system and in promoting the development of grain households.

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DEVELOPMENT OF UNCULTIVATED LAND OUTLINED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY]
in Chinese No 11, 1983 pp 8-10

[Article by Dan Xifan [0141 1119 0416], Economic Research Center, Sichuan People's Government: "Strategic Measures to Develop the Rural Economy: Sichuan Develops and Exploits Uncultivated Land"]

[Text] I. The Current State of and the Way out for Sichuan's Agriculture

Known throughout history as "the land of plenty," Sichuan has rich soil, a mild climate, abundant rainfall and a long frost-free season and is suited to the comprehensive development of agriculture, forestry, animal husbandry, sideline industry and fishery. Nevertheless, the province's per-capita cultivated land area of 1 mu is 1/2 mu less than the national average, and there will be no way out for agriculture if we limit ourselves to "carrying out revolution" and practicing one-crop farming on this single mu of land. The way out, rather, lies in implementing intensive farming on existing cultivated land and in placing much emphasis on uncultivated land. For in addition to 100 million mu of cultivated land, Sichuan has more than 700 million mu of uncultivated land. Excluding 200-plus million mu covered with rock, roads, cities, towns and peasant houses, there remain about 500 million mu of exploitable, resource-rich uncultivated land. In the past several years, the strong emphasis we have placed on our work in these two areas has been responsible for the bumper harvests in agriculture, animal husbandry, sideline industry and fishery; for the increases in grain output for 6 straight years; and for our ability to escape the passive situation in which we "consume grain imports." Little orchards, mulberry fields, tea plantations, hydroelectric stations and pastures have flourished, have markedly increased economic results and have steadily improved the rural economy.

1. Grain output steadily increases, and the economy develops apace. In 1982, collective grain production and income and commune members' individual grain supplies and incomes all surpassed record levels. Provincial collective grain output broke the 700 million jin mark, an increase of 14.95 percent over 1978 and representing an average annual increase of 3.5 percent. Per-capita grain output was 815 jin, 18 jin higher than the national average, and distributed income reached 13.74 billion yuan, a 41.24 percent increase over 1978 and representing an average annual increase of 11.4 percent. Grain rations were 622 jin, an increase of 26.2 percent over 1978 and representing an average

annual increase of 6 percent. Thus we have eliminated the state of affairs in which the economic growth rate lagged behind that of grain output and in which some high-output, poor teams increased their acreage but not their yield.

2. The number of rich teams has risen many times, while that of poor teams has rapidly declined. In 1982, there were 3,569 rich teams having a per-capita collective-distributed income of more than 300 yuan, which number represented a 5-fold increase over 1981, and there were 37,947 poor teams having a per-capita collective-distributed income of less than 50 yuan, which number represented a 67.71 percent decline from 1981. A representative survey revealed that most counties and districts that have per-capita collective-distributed incomes of more than 300 yuan, communes and teams that have per-capita collective-distributed incomes of over 400 yuan and higher-income specialized and key households all practice intensive farming on existing cultivated land, place great emphasis on uncultivated land and vigorously promote the diversification of farming.

3. Rapid expansion of commodity production markedly increases economic results. In 1982, sales of agricultural and sideline products yielded an income of 3.49 billion yuan, and the value of commodities rose by 330 million yuan, or 10.3 percent, over 1981. Collective sales were 40.36 yuan per capita, an increase of 24.68 percent over 1978, which represents an average annual increase of 5.7 percent. And purchases of agricultural and sideline products reached 8.66 billion yuan, an increase of 14.9 percent over 1981. The rise in the ratio of commodities has markedly improved economic results. In 1982, each yuan invested earned a return of 3.42 yuan, an increase of 0.41 yuan over 1981, and economic results rose by 13.6 percent, exceeding the national average. The self-sufficient and semi-self-sufficient economy is undergoing steady change.

II. Key Points and Experience in the Development of Uncultivated Land

Sichuan is a mountainous province. Mountains comprise more than 70 percent of the total area of the 40 counties and autonomous prefectures surrounding the Sichuan basin and contribute a little more than 10 percent of these districts' industrial and agricultural output value. These districts' agricultural output value, moreover, accounts for only about 20 percent of the provincial total. These facts provide ample evidence of the great potential and developmental value of mountainous areas. In the past several years, we have placed great emphasis on the development of mountainous areas and greatly transformed their appearance. According to statistics, since 1980 800,000-plus mu of cultivated land in mountainous areas has been withdrawn for afforestation and herding, and more than 3 million mu have been afforested, which amount comprises 60 percent of the area afforested provincewide during the same period. In 1982, the gross agricultural output value of these 40 counties was 3.52 billion yuan, an increase of 11.7 percent, which is higher than the provincial rate of 10.3 percent; total grain output was 11.64 billion jin, an increase of 11.8 percent, which is 4.1 percent higher than the provincial rate of 7.7 percent; and the production of pigs, tea, silkworm cocoons, fruit, poultry and animals has expanded greatly. In addition, Renshou County has vigorously

organized surplus labor to exploit and carry out developmental production on barren mountains, slopes and land and sandy floodland and water surfaces, thereby transforming the "five wastes" into the "five treasures." According to incomplete statistics, more than 90,000 people have participated in this work, afforested an 80,000-plus-mu block of barren mountainous land, established 400 jointly operated tea plantations and 400 cooperative orchards, created more than 6,000 small family orchards and 1,400 small mulberry fields and exploited some 150,000 mu of surface water, which produces 4 million-plus jin of adult fish. During the first half of this year, besides afforesting barren mountains, the county also established some 1,100 orchards and planted 2.5 million mulberry trees. In the past 3 years, tea, fruit and silkworm production alone has increased the county's income by more than 26 million yuan.

Summing up our experience during the past 3 years, there are three major points:

1. Policy liberalization has mobilized a massive army. In 1981, the provincial party committee and government implemented the "two system" policy in forestry and basically put an end to reckless deforestation. In 1982, the party committee formulated "Policy Regulations Regarding Some Problems in the Acceleration of Sichuan's Rural Economic Development" and encouraged and supported peasants to exploit uncultivated land and vigorously develop small tree farms, orchards, mulberry fields, tea plantations and hydroelectric stations. To date, 91 percent of all counties, cities and districts and 94 percent of all production teams in the province have implemented the "two systems." A total of 11.7 million agricultural households has been assigned 28.6 million mu of private mountain plots, or one-half of the afforestable barren mountain land in the province, and each household received an average of 2.4 mu. Peasant households numbering some 14.9 million received more than 400 mu of land, or 0.27 mu per household, on which to plant trees and bamboo around their homes. And more than 460,000 production teams (or 80 percent of the provincial total) established and perfected the forestry production responsibility system, managing and protecting more than 80 million mu of forest land. Commune and team tree farms employing the "setting, contract and bonus" system control 10 percent of this land, specialized contractors cover 24 percent and household contractors are responsible for 66 percent. The masses have evidenced a great upsurge of fervor to contract, as individual households or jointly, to plant trees on barren mountains. In the first half of this year, 1.1 billion trees were planted in belts and on all sides on 2.57 million-plus mu, an increase of 23 and 16.6 percent over last year, respectively. Management, moreover, has been meticulous, and the survival rate is high.

2. We tailor measures to suit local conditions and provide guidance by field. Whether in the mountains or the hill country, on the grasslands or the plains, Sichuan has much uncultivated land to develop. Surveys of 12 counties in the western basins reveal that in these districts there are 840,000 mu of barren mountains and slopes, 1.04 million mu of river flood land and 500,000-plus mu of household compounds planted with (potted) trees. These areas comprise 15.6 percent of the total land area and 43 percent of the cultivated land area in the region. Peasant households in these 12 counties derive most

of their sideline income from uncultivated land, and (potted) tree products account for one-half of that income. Implementation of guidance by field during the past few years has enabled these counties steadily to improve economic results. Approximately 85 percent of the peasants in Diaoyu Brigade, Tangyuan Commune, Pi County, use their household compounds and some private plots to plant tangerines, pears, Chinese flowering crabapples and roses, thereby achieving an annual income of about 50,000 yuan, or 1,400 yuan per household. In 1980, this income rose to 70,000-plus yuan, a per-capita average of 429 yuan. Prior to liberation, the Xi He, which flows through this basin, used to bring the people nothing but suffering. But development over the last few years has brought more than 10 enterprises to the banks of the river, including small hydroelectric plants, cement plants and lime kilns, which had a total output value of 1,938.15 yuan in 1981. And with 3,244 mu of river beds, floodlands and embankments, each mu is calculated to produce 597.38 yuan, which is 3.65 times the 163.75 yuan produced during the same year on collective farm fields. Facts indicate that uncultivated land possesses great potential and definitely produces excellent economic results.

3. Specific problems are resolved concretely. Development of uncultivated land requires a certain amount of human, material and financial resources, especially in remote mountainous areas, which lack grain, funds and good transportation. If these problems are not resolved, everything will come to naught. Resolution of these problems is to come primarily through self-reliance, but necessary outside support is also rendered. In recent years, we have maintained provincially allocated grain support quotas to assist production in the mountainous areas. These deliveries are used to subsidize withdrawal of cultivated land for afforestation and to develop herding and other key projects in communes, teams and key households that are truly grain-deficient. In addition, we have recently decided, while upholding the general policy of maintaining the province's total grain purchase quota, to permit peasants in grain-deficient mountainous communes and teams to substitute cash payments for compulsory grain sales. Grain departments will then follow the principle of no compensation and no earnings and use this cash to purchase grain from producing areas. In order to resolve the problem of the mountainous areas' lack of funds, provincial forestry, communications and financial departments have allocated money to assist development of the mountainous areas, and the provincial agricultural bank will begin an experimental program of providing developmental loans. All of these programs play a crucial role in accelerating construction of roads and promoting economic development in and exploitation of the mountainous areas. In the past 4 years, more than 10,000 km of roads have been built in Sichuan's mountainous areas, thus linking 2,227 brigades to motor vehicle transport and providing favorable conditions for the development of the mountainous areas.

III. Future Strategic Objectives and Urgent Priorities

Agricultural resource surveys and regional plans will provide the bases for the development and exploitation of uncultivated land. At the recently convened Mountainous Area Work Conference and the large County Economic Developmental Forum, the provincial party committee and government proposed strategic objectives that must be achieved by the end of the century. (1) We

must vigorously develop forestry and raise the tree cover ratio to an average of 26 percent provincially and from the current 17 percent to more than 40 percent in the mountainous areas. (2) While ensuring that grain output steadily expands, we must vigorously promote farming diversification so that that output thereof rises to about 70 percent of gross agricultural output value. (3) Local industry must be vastly expanded so that its output value exceeds that of agriculture. (4) We must increase revenues, strive to enable subsidized counties to balance their budgets within 3 or 4 years, make greater contributions to the state and steadily improve the people's standard of living. In order to achieve these strategic objectives, we must, while continuing to stress revitalization of forestry, make the vigorous development of animal husbandry an urgent priority and rapidly reverse the reduction of cattle and sheep populations. At present, we must vigorously and appropriately develop cattle raising and progressively advance from the current emphasis on draft animals to an emphasis on multipurpose cattle providing labor, meat and milk. And while stressing the renewed development of cattle and sheep raising, we must continue to emphasize pig raising and expand poultry, rabbit, fish and bee raising in order to meet the needs of the people's rising standard of living. Furthermore, we must employ modernized science and technology to tap the full potential of agriculture, forestry, animal husbandry, sideline industry and fishery and steadily raise the output and output value of cultivated land, forest land, grassland and water surfaces. Meanwhile, we must also devise all sorts of measures to invigorate commodity circulation in the broad agricultural and herding regions so that goods produced by peasants can be sold immediately, thereby increasing the benefits of the producers, ensuring the enthusiasm of the producers and promoting the further development of the rural economy.

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PRIORITY SUPPLY OF FARM PRODUCTION MATERIAL

Beijing JINGJI RIBAO in Chinese 31 Mar 84 p 1

[Article: "Many Provinces and Cities Forward Letters and Telegrams to the Xizang Autonomous Region's Beijing Office and to This Newspaper Indicating That Xizang's Urgent Needs Have Priority in Supply of Farm Production Materials"]

[Text] For a number of days, this newspaper and the Xizang Autonomous Region's Beijing Office have been receiving letters and telegrams from such places as Beijing, Gansu, Hubei, Hebei, etc., in response to our 9 March article "Xizang Urgently Needs Phosphate Fertilizers and Farm Machine and Tool Parts". Gansu's Zhangye Harvester Factory has already sent off 50 Dunhuang-160 harvesters to Xizang and has decided to dispatch a technical service team to the province before this summer's harvest to popularize techniques of harvester use. The Hebei branch of the Chinese Mechanized Import-Export Company, too, has sent materials concerning hand farmtools and special farm machinery tools, and is preparing to supply some export products for Xizang's use. The Farm Materials Bureau of the Ministry of Commerce is among units indicating that it is willing to give priority to Xizang on high quality compound fertilizers.

According to our understanding, this year the state's allocation of chemical fertilizer is up 27 percent from last year. This fertilizer has a high phosphorus content 18 percent above in-demand product standards. Recently, concerned departments added 20,000 standard tons of chemical fertilizer above planning to Xizang's supplies. Shipments of primary farm equipment is already above originally planned amounts for the year, while over 90 percent of planned shipments of farm machinery parts, internal combustion engines, drainage and irrigation equipment, and other farm production materials have already been sent.

Also, according to concerned sources, the provinces and municipalities of Beijing, Shanghai, Tianjin, Jiangsu, Guangdong, Shandong, Sichuan, Fujian, and Hebei have enthusiastically taken on construction projects for electric power, communication and transportation, geothermal energy, livestock processing, wool manufacture, establishment of a university, and tourist establishments in Xizang.

YUNNAN'S PROBLEMS IN MARKETING FARM TOOLS

Kunming JINGJI WENTI TANSUO [INQUIRY INTO ECONOMIC PROBLEMS] in Chinese No 2, 20 Feb 84 pp 64-65, 63

[Article by Tian Yuzhong [3944 3768 1813] of the Yunnan Provincial Corporation of Agricultural Production Means: "Several Questions on the Production, Supply and Marketing of Medium and Small Farm Tools in Yunnan"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, the social demand for medium and small farm tools has increased, the commodity sales of supply and marketing cooperatives have declined and the supply of certain products has fallen short of demand. But what kind of changes have there really been in the production, supply and marketing of medium and small farm tools? What is the trend of development in the future? How do we organize the production and circulation of commodities? Having a clear understanding of these questions is of positive significance in directing production, guiding consumption and best satisfying the needs of the development of agricultural production.

First, let us talk about the actual conditions of production, supply and marketing. According to investigations, after the rural areas implemented the economic policies and the handicraft industry, commune- and brigade-run enterprises and rural commerce carried out the restructuring of systems, the production, supply and marketing of medium and small farm tools have taken on the following new salient features:

(1) Social demand has increased. Every worker on the average needs to purchase about 2.5 pieces of medium and small farm tools a year, of which one piece is made of iron, one is made of bamboo and 0.5 is made of wood. Compared with the record number of medium and small farm tools supplied by supply and marketing cooperatives to each worker a year, iron farm tools show an increase of 0.2 piece, bamboo farm tools show an increase of 0.07 piece and the wooden farm tools show an increase of 0.04 piece. The annual social demand for medium and small tools shows an increase of about 3 million pieces or 12 percent over the record number of such tools ever supplied by supply and marketing cooperatives a year.

(2) The mode of production has changed. Medium and small farm tools are produced not only by state and collective enterprises but also by commune- and brigade-run enterprises, "two households" in rural areas, individual craftsmen and households engaging in sideline occupations. The production mode of certain

farm tools has changed from collective to individual, from centralized to decentralized and from planned production to production arranged by producers according to market needs. The individual and decentralized production of farm tools has increased and the collective and centralized production of farm tools has declined relatively.

(3) The number of circulation channels has increased. Since the 3d Plenary Session of the 11th CPC Central Committee, medium and small farm tools which used to be supplied by the single economic sector and channel for supply and marketing cooperatives have been circulated through multiple channels: First, commune members make their own farm tools with their own materials and techniques. Such products are not exchanged on the market. Second, the handicraft industry and commune- and brigade-run enterprises process products and sell them directly to consumers on the market. Third, individual craftsmen and commune members in rural areas process farm tools and exchange them in rural trade markets. Fourth, supply and marketing cooperatives carry farm tools. Iron farm tools, over 80 percent of the social demand, are mainly supplied by supply and marketing cooperatives. All bamboo and wooden farm tools, about 80 percent of the social demand, are basically subject to market regulation except for medium-sized wooden farm tools, which are mainly supplied by supply and marketing cooperatives.

(4) The number of commodities traded at negotiated prices has increased. All commodities subject to the market regulation are traded at negotiated prices. Such prices change constantly and tend to increase continuously. The difference between list and market prices is getting bigger and bigger. Except for iron and medium-size wooden farm tools, all farm tools whose supply is planned by supply and marketing cooperatives are traded at negotiated prices basically in accordance with the principle of buying high and selling high and buying low and selling low and with the principle of achieving a little profit after balancing all profits and losses.

Now let us analyze the future development of the production, supply and marketing of medium and small farm tools. This is also an extremely important issue to properly organizing the production and circulation of commodities and satisfying the needs of society. Based on investigations, the mainstreams of development are as follows:

(1) Social demand will gradually become stable. Since the agricultural production responsibility system is improving daily in Yunnan Province, farm tools needed by peasants have been basically renewed and replenished. At the same time, along with the emergence of key and specialized households in rural areas, some manpower has been divorced from the agricultural labor force and transferred to other trades which require peasants to leave the farmlands but not their villages, resulting in a relative reduction in the agricultural labor force. Moreover, since farm tools are basically owned by commune members, they are used and kept more carefully, thereby extending their renewal periods. Therefore, in the next few years, the social demand will become increasingly stable. The sales volume will not have another substantial increase. Or, shall we say, it will remain stable with a tendency to decline.

(2) Production will be gradually carried out in new forms of association. The decentralized processing of farm tools carried out by individuals or small collectives cannot create great output, high output value or a large variety of products. Therefore, it is not conducive to reducing the cost of production, improving the quality of products, increasing the variety of products, raising the productivity and satisfying the needs of society. At the same time, because such production is not included in the state plan, the supply of raw materials cannot be guaranteed. It is relatively difficult to continue or develop production for a long period of time. Therefore, the production of major medium and small farm tools, such as plowshares, hoes, sickles, medium-size wooden farm tools and substitutes for wooden farm tools made of iron and plastics, will be gradually carried out in new forms of association. In other words, many individuals or small collectives will cooperate with each other and develop toward the direction of mechanized, semimechanized and centralized production carried out in designated units.

(3) The channels of circulation will continue to expand. A new circulation channel will be available for medium and small farm tools in addition to private production for private use, private production for private sales, regulation of rural trade markets and the supply of supply and marketing cooperatives. That is, collective and individual commercial units in rural areas or small towns will sell goods on a commission basis or sell goods transported to or from other places. A main form of this will be to transport goods from a long distance and sell them at shops opened permanently for such a purpose. The sources of goods will be producers, markets and peasant households, and state-run and cooperative commercial units. This new circulation channel is forming step by step. It has a tendency to expand. The variety and scale of farm tools traded at negotiated prices will also be gradually expanded.

(4) The increase in the mechanization, semimechanization and the supply and production of reformed and improved farm tools and farm-tool substitutes will replace the production and trading of some conventional farm tools. The modernization of production implements is an important part of agricultural modernization. Some relatively advanced farm tools such as tractors, water pumps, threshers, plant protection appliances, vehicles drawn by animals or men and plastic farm tools have already been partially used in some fields of local agricultural production in Yunnan Province such as farming, plant protection, threshing, processing, transport and storage. Therefore, under certain conditions, some conventional medium and small farm tools will be gradually replaced and supply and marketing cooperatives will carry fewer and fewer conventional medium and small farm tools as the production and supply of new-model production implements increase.

According to the current situation in the supply and marketing of medium and small farm tools and the trend of development, supply and marketing cooperatives must change the system of overcentralized control or the tendency to give up management. They should actively organize the production and circulation of commodities in accordance with the principle of considering a planned economy a predominant factor and market regulation as a supplement.

(1) We should organize specialized production and build production bases. Due to the increasingly tight supply of raw materials and fuel, the decentralized production will become increasingly difficult. Besides, due to limited output, high costs and poor quality, this kind of production cannot satisfy the needs of society. Therefore, for those medium and small farm tools in great demand, major products of similar specifications and new-model farm tools, we should carry out centralized production in designated units, build backbone production bases and organize specialized processing to raise productivity, reduce the consumption of raw materials and fuel, lower the cost of production, improve the quality of products and satisfy the needs of society. Production bases should be built in accordance with the principle of equating production capacity with market needs. They can be considered as an economy run by the state, collectives or the "two households" in rural areas. Departments concerned should give them support with regard to raw materials, funds, equipment, technology and product marketing. At the same time, we should also bring into full play the active role of individual craftsmen and rural households engaging in sideline occupation in the production of farm tools to make up the deficiency.

(2) We should unclog the channels of circulation and organize the operation of multiple channels. Due to the great variety and complicated specifications of medium and small farm tools, the single-channel operation of supply and marketing cooperatives can no longer meet the needs of the situation. It cannot satisfy the needs of agricultural production, nor does it help producers improve the quality of products and reduce the cost of production. It also causes commercial units to increase the number of links in operation and costs. Therefore, we must carry out the operation through multiple channels: First, organize commune members to produce their own in areas where natural resources and technicians are available and help those areas where natural resources and technicians are not available to develop natural resources and train technicians to raise the level of self-sufficiency, second, allow the handicraft industry and commune- and brigade-run enterprises to set up stands and shops in local areas to sell at wholesale or retail prices the part of their products which are not procured by state commercial departments or to transport such products for sale in distant areas, third, allow products processed by villages and commune members' households engaging in sideline occupations to be sold on markets to regulate surplus and deficiency and bring into full play the positive functions of rural trade markets, fourth, allow individual commercial units in rural and urban areas to sell goods on commission and transport goods for sale, and, fifth, let supply and marketing cooperatives organize the supply and marketing of major products in a planned manner.

(3) We should strengthen the control over production and sales prices and implement a flexible price policy. In the last 2 years, the state has readjusted production and sales prices for medium and small farm tools. However, it is difficult to procure some products at list prices. Some procured products often cause stockpiling. Contradictions in this field have not been completely solved. It has been very difficult for some products to use state-listed prices. Therefore, it is necessary to implement a flexible price policy and readjust the contradictions between production and sales by exercising the function of prices as an economic lever. There are two situations: First,

major products which affect the overall situation of agricultural production and whose raw materials and fuel are supplied according to the state plan should still be traded at state-planned prices. However, local losses caused by purchasing or marketing such products must be eliminated by rationally planning their production and sales prices in accordance with the principle of purchase prices plus costs. Secondly, products in short supply and stock-piled products whose production exceeds sales should be traded at negotiated prices in accordance with the principles of buying high and selling high and buying low and selling low and achieving a little profit after balancing all profits and losses.

(4) We should reform the management methods, carry out production in designated units, supply goods according to the division of distribution and distribute managerial authority to various levels. Commercial departments at provincial and prefectural levels should mainly study the policies, principle and methods for supplying and marketing medium and small farm tools and provide guidance concerning policies. At the same time, they should organize the supply of key products and major raw materials on a provincial scale, promote the popularization and use of substitutes for wooden farm tools made of plastics or iron, provide market information, exercise leadership over production and regulate surplus and deficiencies. Commercial departments at the county and grassroots levels should organize the handling of commodities to guarantee the market supply. In areas where farm tools are produced and where market regulations play a predominant role, supply and marketing cooperatives should carry a small number of farm tools to adjust commodity prices and stabilize markets. In areas where farm tools are sold, supply and marketing cooperatives should organize their business operations in accordance with the principles of carrying out production in designated units, supplying goods according to the division of distribution, selecting and purchasing goods of a high quality and distributing the power of management to various levels. Except for supply and marketing cooperatives, the farm-tool business can also be run jointly by industrial and commercial units, by agricultural and commercial units, by different commercial units and by commercial units and the "two households." Collectively owned commercial units are also allowed to sell and purchase farm tools on a commission basis. In commercial units, great efforts should be made to improve the multiple-link management method by which goods are procured according to unified plans and transferred to lower levels. All supply and marketing cooperatives at the grassroots levels should focus on business operations. The regulation of surplus and deficiency should be organized by companies at higher levels to reduce the number of links in operation and costs and to increase economic results.

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